PRELIMINARY OFFICIAL STATEMENT DATED JUNE 15, 2021

NEW ISSUE — BOOK-ENTRY ONLY

RATING: S&P: "AA"
See "RATING"

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, interest on the Bonds is exempt from State of California personal income taxes. Bond Counsel observes that interest on the Bonds is not excluded from gross income for federal income tax purposes. Bond Counsel expresses no opinion regarding any other tax consequences caused by the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. See "TAX MATTERS."

$12,915,000*
LIVERMORE AREA RECREATION AND PARK DISTRICT
2021 TAXABLE PENSION OBLIGATION BONDS

Dated: Date of Delivery **Due: February 1; see inside cover**

The Bonds. The above-captioned bonds (the "Bonds") are being issued by the Livermore Area Recreation and Park District (the "District") as fully registered bonds in book-entry form only, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). Individual purchases of the Bonds will be in principal amounts of $5,000 or in any integral multiples of $5,000. Interest on the Bonds will be payable on February 1 and August 1 of each year, commencing August 1, 2021, and principal payable on the Bonds will be paid on February 1 in the years set forth on the maturity schedule on the inside cover of this Official Statement. Payments of principal of and interest on the Bonds will be paid by U.S. Bank National Association, San Francisco, California, as trustee (the "Trustee") under an Indenture of Trust, dated as of June 1, 2021 (the "Indenture") between the District and the Trustee, to DTC for subsequent disbursement to DTC Participants who will remit such payments to the Beneficial Owners of the Bonds. See "THE BONDS".

Purpose. The Bonds are being issued to (i) refund certain obligations of the District owed to the Alameda County Employees' Retirement Association ("ACERA") with respect to pension benefits accruing with respect to current and former District employees (the "ACERA Obligations"), and (ii) pay costs of issuing the Bonds. See "PLAN OF FINANCING".

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

Security. Payment of the principal of and interest on the Bonds is not limited to any special source of funds and is payable from all legally available moneys of the District. The District is not empowered or obligated to levy or pledge taxes to make payments on the Bonds. However, the District covenants pursuant to the Indenture to take such action as may be necessary to include in each of its annual budgets the payments required to be made by the District under the Indenture, and to make the necessary annual appropriations for all such payments. If any payment of debt service on the Bonds requires the adoption by the District of a supplemental budget or appropriation, the District covenants to promptly adopt the same. See "SECURITY FOR THE BONDS" and "RISK FACTORS."

MATURITY SCHEDULE
(See inside cover)

THIS COVER PAGE CONTAINS INFORMATION FOR GENERAL REFERENCE ONLY. IT IS NOT A SUMMARY OF THE SECURITY OR TERMS OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING THE SECTION ENTITLED "RISK FACTORS," FOR A DISCUSSION OF SPECIAL FACTORS WHICH SHOULD BE CONSIDERED, IN ADDITION TO THE OTHER MATTERS SET FORTH IN THIS OFFICIAL STATEMENT, IN CONSIDERING THE INVESTMENT QUALITY OF THE BONDS. CAPITALIZED TERMS USED ON THIS COVER PAGE AND NOT OTHERWISE DEFINED SHALL HAVE THE MEANINGS SET FORTH IN THIS OFFICIAL STATEMENT.

The Bonds are offered when, as and if sold and issued, subject to the approval as to their legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel. Jones Hall is also serving as Disclosure Counsel to the District. Certain legal matters will be passed upon for the District by the General Counsel to the District and for the Underwriter by Stradling, Yocca, Carlson & Rauth, a Professional Corporation, Newport Beach, California. It is anticipated that the Bonds in book-entry form, will be available for delivery to DTC on or about June 29, 2021.

BRANDIS TALLMAN
A DIVISION OF OPPENHEIMER & CO. INC.

Dated: __________ __, 2021.

**Preliminary; subject to change.*

MATURITY SCHEDULE

(Base CUSIP†: _______)

Maturity Date (February 1)	**Principal Amount**	**Interest Rate**	**Yield**	**Price**	**CUSIP†**

$________ ________% Term Bonds due February 1, 20__, Price: ___% CUSIP†: ________

$________ ________% Term Bonds due February 1, 20__, Price: ___% CUSIP†: ________

LIVERMORE AREA RECREATION AND PARK DISTRICT
(ALAMEDA COUNTY, CALIFORNIA)

BOARD OF DIRECTORS

Philip Pierpont, *Chair*
Maryalice Summers Faltings, *Vice Chair*
David Furst, *Board Member*
James E. Boswell, *Board Member*
Jan Palajac, *Board Member*

DISTRICT STAFF

Mathew Fuzie, *General Manager and ex-officio Clerk of the Board*
Jeff Schneider, *Administrative Services Manager*
Rod A. Attebery of Neumiller & Beardslee, *General Counsel to the District*

SPECIAL SERVICES

Municipal Advisor

PFM Financial Advisors LLC
San Francisco, California

Bond Counsel and Disclosure Counsel

Jones Hall, A Professional Law Corporation
San Francisco, California

Trustee

U.S. Bank National Association,
San Francisco, California

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

No Offering May Be Made Except by this Official Statement*.* No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations with respect to the Bonds other than as contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been authorized.

No Unlawful Offers or Solicitations*.* This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

Effective Date. This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds will, under any circumstances, create any implication that there has been no change in the affairs of the District or any other parties described in this Official Statement.

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

Preparation of this Official Statement. The information contained in this Official Statement has been obtained from sources that are believed to be reliable, but this information is not guaranteed as to accuracy or completeness.

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

Document References and Summaries. All references to and summaries of the Indenture of Trust or other documents contained in this Official Statement are subject to the provisions of those documents and do not purport to be complete statements of those documents.

Bonds are Exempt from Securities Laws Registration. The issuance and sale of the Bonds have not been registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, in reliance upon exemptions for the issuance and sale of municipal securities provided under Section 3(a)(2) of the Securities Act of 1933 and Section 3(a)(12) of the Securities Exchange Act of 1934.

Stabilization of Prices**.** In connection with this offering, the Underwriter may overallot or effect transactions which stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriter may offer and sell the Bonds to certain dealers and others at prices lower than the public offering prices set forth on the cover page hereof and said public offering prices may be changed from time to time by the Underwriter.

Estimates and Projections. Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “budget” or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE DISTRICT DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

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

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APPENDIX F – Book-Entry Provisions

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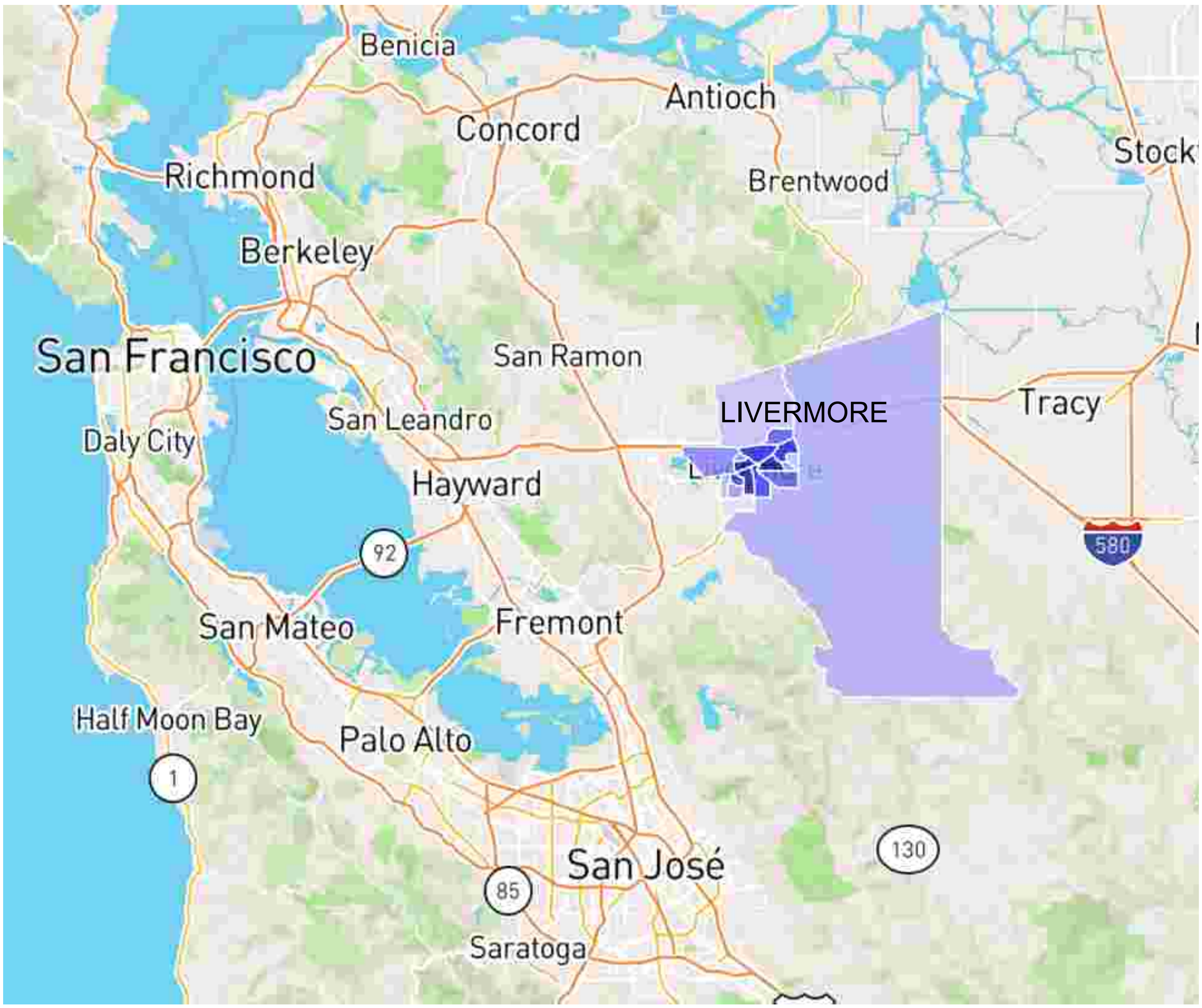
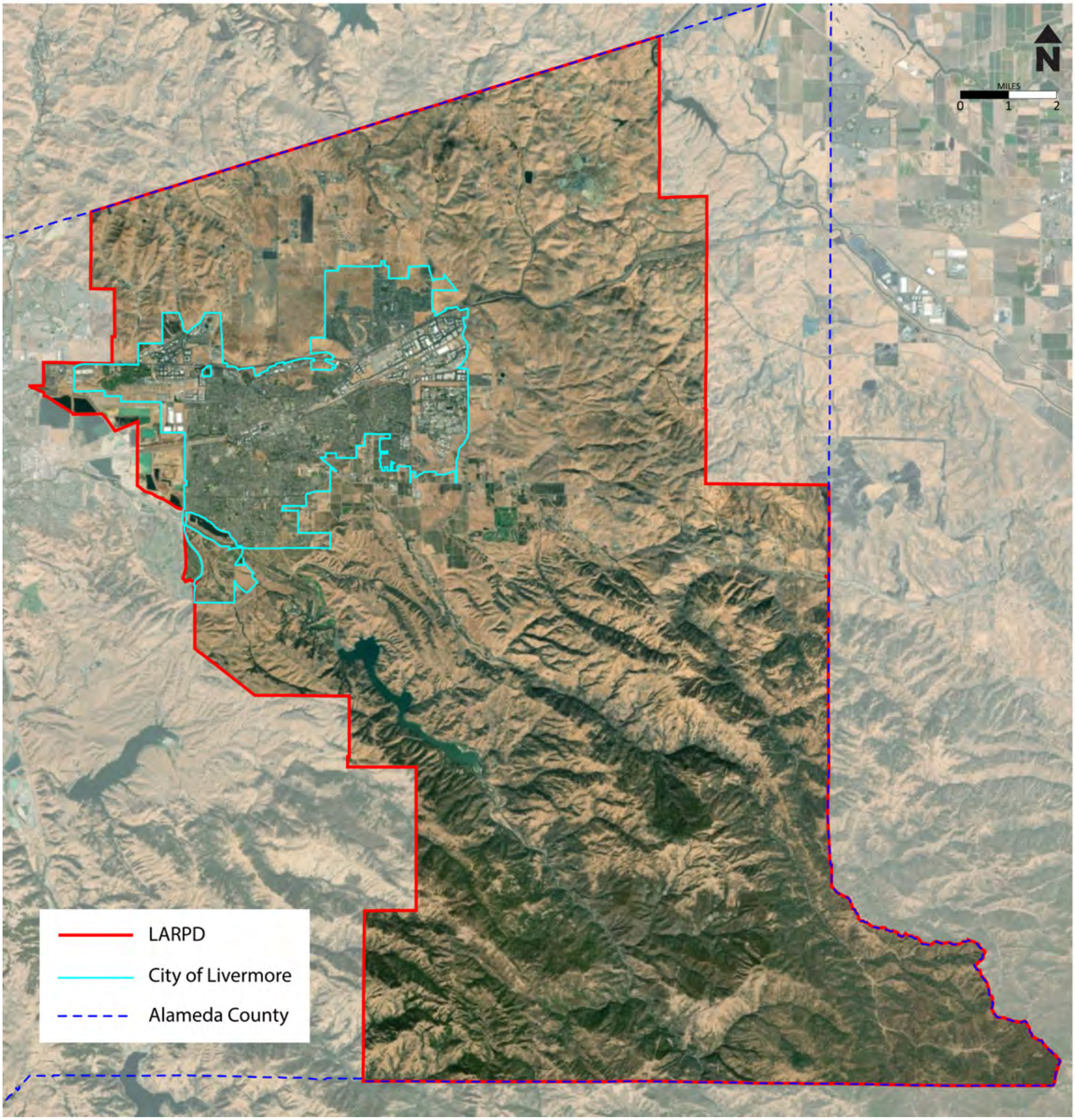
LOCATION MAP



Livermore Area Recreation and Park District

Jurisdiction Boundaries



OFFICIAL STATEMENT

$12,915,000*
LIVERMORE AREA RECREATION AND PARK DISTRICT
2021 TAXABLE PENSION OBLIGATION BONDS

INTRODUCTION

This introduction contains only a brief summary of certain of the terms of the Bonds being offered, and a brief description of the Official Statement. All statements contained in this introduction are qualified in their entirety by reference to the entire Official Statement. Certain defined terms used herein are set forth in APPENDIX B – Summary of Certain Provisions of the Indenture.

General

The purpose of this Official Statement (which includes the cover page and the Appendices) is to provide information concerning the issuance of the above-captioned bonds (the "**Bonds**").

The District

The Livermore Area Recreation and Park District (the "**District**") is a recreation and park district located in Alameda County (the "**County**"), in the State of California (the "**State**"). The District was originally organized in 1947, and changed its name to the "Livermore Area Recreation and Park District" in 1959. The District provides parks and recreation facilities and services within the incorporated area of the City of Livermore (the "**City**") and adjacent unincorporated areas. Certain statistical and demographic information regarding the City, the County and the State are set forth in APPENDIX E.

The District is governed by a five member Board of Directors (the "**Board**") who serve overlapping terms of four years, and are elected by voters within the District's boundaries, which is an approximately 243.5 square-mile area bounded by Contra Costa County to the north, San Joaquin County to the east, Santa Clara County to the south, and the cities of Pleasanton and Dublin to the west. See "THE DISTRICT."

Authority for the Bonds

The Bonds are being issued pursuant to Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53570 of said Code (the "**Bond Law**") and under an Indenture of Trust, dated as of June 1, 2021 (the "**Indenture**"), between the District and U.S. Bank National Association, as trustee (the

* Preliminary; subject to change.

"**Trustee**"). The Bonds have been authorized to be issued by the District under a resolution adopted by the Board on June 9, 2021 (the "**Resolution**").

Purpose

The proceeds of the sale of the Bonds will be used to (i) refund certain obligations of the District owed to the Alameda County Employees' Retirement Association ("**ACERA**") with respect to pension benefits accruing to current and former District employees (the "**ACERA Obligations**"), and (ii) pay costs of issuing the Bonds. See "PLAN OF FINANCING."

Redemption

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

Security for the Bonds

The obligations of the District under the Bonds, including the obligation to make all payments of principal of and interest on the Bonds when due, and the obligation of the District to make the deposits required for the security of the Bonds, are obligations of the District imposed by law and are absolute and unconditional, without any right of set-off or counterclaim. The Bonds do not constitute an obligation of the District for which the District is obligated to levy or pledge any form of taxation. Neither the Bonds nor the obligations of the District to make payments on the Bonds constitute an indebtedness of the District, the State, or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction.

The District covenants pursuant to the Indenture to take such action as may be necessary to include in each of its annual budgets the payments required to be made by the District under the Indenture, and to make the necessary annual appropriations for all such payments. If any payment of Debt Service requires the adoption by the District of a supplemental budget or appropriation, the District covenants to promptly adopt the same. See "SECURITY FOR THE BONDS" and "APPENDIX B – Summary of Certain Provisions of the Indenture."

No Judicial Validation Action Undertaken

No judicial validation action has been undertaken with respect to the Bonds. Article XVI, Section 18 of the California Constitution, sometimes referred to as the Constitutional Debt Limitation, does not apply to special districts such as the District and, accordingly, no validation action has been undertaken.

Risk Factors

For a list of some of the factors that should be taken into account before investing in the Bonds, including the risks of the ongoing COVID-19 pandemic, see "RISK FACTORS."

Summaries Not Definitive

The summaries and references of documents, statutes, reports and other instruments referred to in this Official Statement do not purport to be complete, comprehensive or definitive, and each such summary and reference is qualified in its entirety by reference to each document, statute, report, or instrument. The capitalization of any word not conventionally capitalized, or otherwise defined in this Official Statement, indicates that such word is defined in a particular agreement or other document and, as used in this Official Statement, has the meaning given it in such agreement or document. See “APPENDIX B – Summary of Certain Provisions of the Indenture” for summaries of certain of such definitions.

PLAN OF FINANCING

General

The Bonds are being issued to (i) prepay a portion of the ACERA Obligations, and (ii) pay the costs of issuance of the Bonds.

The net proceeds of the Bonds will be used to refund a portion of the District’s unfunded accrued actuarial liability (“**Unfunded Liability**”) with respect to certain retirement benefits accruing with respect to current and former employees of the District in accordance with applicable law and a Contract between the District and ACERA (the “**ACERA Contract**”). ACERA has prepared actuarial valuation reports for the District setting forth the Unfunded Liability of the District with respect to its retirement plan as of December 31, 2020, showing that the Unfunded Liability of the District as of such date was $13,275,000.

As part of the financing, the District anticipates prepaying approximately $12,611,250 of its Unfunded Liability. The Bonds have been structured to produce a more sustainable projected annual pension cost schedule and annual savings to the District. Prior to the closing date for the Bonds, the District will obtain from ACERA a “pay-off” letter setting forth the Unfunded Liability of the District with respect to the ACERA Contract as of the expected pay-off date. Following the prepayment, the District’s funded ratio is anticipated to rise from 79% to 99%.

Sources and Uses of Funds

The proceeds to be received from the sale of the Bonds are anticipated to be applied as follows:

SOURCES OF FUNDS:	
Principal Amount of Bonds	$
Plus/less [Net] Original Issue Premium/Discount	
Total Sources:	$
USES OF FUNDS:	
Payment with respect to ACERA Obligations	$
Costs of Issuance(1)	
Total Uses:	$

(1) Includes Underwriter’s discount, legal fees, Trustee fees, printing expenses, and other costs of issuing the Bonds.

THE BONDS

Authority

The Bonds are being issued pursuant to the Bond Law and the Indenture, and were authorized by the Board pursuant to the Resolution.

General

The Bonds will be issued in the form of fully registered bonds, without coupons, in denominations of $5,000 or any integral multiple of $5,000, and will be dated the date of delivery to the original purchaser. The Bonds will mature on the dates and in the amounts set forth on the inside front cover of this Official Statement.

The Bonds shall mature on February 1 in the years and in the respective principal amounts and bear interest (calculated on the basis of a 360-day year comprised of twelve 30-day months) and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company ("**DTC**"). So long as DTC, or Cede & Co. as its nominee, is the registered owner of all the Bonds, all payments on the Bonds will be made directly to DTC, and disbursement of such payments to the DTC "Participants" (as defined in APPENDIX F) will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners (as defined in APPENDIX F) will be the responsibility of the Participants, as more fully described in "– Book-Entry Only System" below.

Interest on the Bonds is payable on February 1 and August 1 of each year, commencing August 1, 2021, and continuing to and including the date of maturity or redemption, whichever is earlier, to the persons in whose names the ownership of the Bonds is registered on the Registration Books at the close of business on the immediately preceding Record Date, except as otherwise provided below. Interest on the Bonds is payable from the Interest Payment Date immediately preceding the date of authentication thereof unless: (i) a Bond is authenticated on or before an Interest Payment Date and after the close of business on the preceding Record Date, in which event it will bear interest from such Interest Payment Date, (ii) a Bond is authenticated on or before the first Record Date, in which event interest thereon will be payable from the Closing Date, or (iii) interest on a Bond is in default as of the date of authentication thereof, in which event interest thereon will be payable from the date to which interest has been paid in full, payable on each Interest Payment Date.

Interest on a Bond which is not punctually paid or duly provided for on any Interest Payment Date is payable to the person in whose name the ownership of such Bond is registered on the Registration Books at the close of business on a special record date for the payment of such defaulted interest to be fixed by the Trustee, notice of which is given to such Owner by first-class mail not less than ten days prior to such special record date. Principal represented by the Bonds is payable on February 1 in each of the years and in the amounts set forth on the inside front cover of this Official Statement.

Any Bond may be transferred upon the registration books kept by the Trustee by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of the Bond for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the Trustee, duly executed and the payment of such reasonable transfer fees as the Trustee may establish.

Bonds may be exchanged at the corporate trust office of the Trustee for a like aggregate principal amount of Bonds of other authorized denominations of the same maturity. The Trustee may charge the Owner a reasonable sum for each new Bond issued upon any exchange and the Trustee may require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange. The Trustee is not required to register the transfer or exchange of any Bond during the period the Trustee is selecting Bonds for redemption or any Bond selected for redemption.

Redemption*

Optional Redemption. The Bonds maturing on or before February 1, 20___, are not subject to redemption prior to their respective stated maturities. The Bonds maturing on or after February 1, 20____, are subject to redemption in whole, or in part among maturities on such basis as set forth in a Request of the District, and within a maturity on a pro rata basis among the Beneficial Owners of the Bonds of such maturity, at the option of the District, on any date on or after February 1, 20____, from any available source of funds, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium.

Mandatory Sinking Fund Redemption. The Bonds maturing on February 1, 20__ and February 1, 20__ (the "**Term Bonds**") are subject to mandatory redemption, within a maturity on a pro rata basis among the Beneficial Owners of the Term Bonds of such maturity, at a redemption price equal to 100% of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on February 1 in the respective years as set forth in the following tables. If some but not all of the Term Bonds have been redeemed under subsection (a) of this Section, the total amount of all future sinking fund payments will be reduced by the aggregate principal amount of the Term Bonds so redeemed, to be allocated among such sinking fund payments on a pro rata basis in integral multiples of $5,000 (as set forth in a schedule provided by the District to the Trustee).

Term Bonds Maturing
February 1, 20__

Sinking Fund Redemption Date (February 1)	Principal Amount To Be Redeemed

Term Bonds Maturing
February 1, 20__

Sinking Fund Redemption Date (February 1)	Principal Amount To Be Redeemed

* Preliminary; subject to change.

Selection of Bonds for Redemption. Whenever provision is made in the Indenture for the redemption of less than all of the Bonds of a maturity, the Trustee shall select the Bonds of such maturity to be redeemed on a pro rata basis among the Beneficial Owners of the Bonds of such maturity. For purpose of such selection, all Bonds will be deemed to be comprised of separate $5,000 denominations and such separate denominations will be treated as separate Bonds which may be separately redeemed.

If only a portion of a Bond is called for redemption, then upon surrender of such Bond the District will execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the District, a new Bond or Bonds of the same series and maturity date, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond to be redeemed.

Notice of Redemption. The Trustee on behalf and at the expense of the District will mail (by first class mail) notice of any redemption to the respective Owners of Bonds designated for redemption at their respective addresses appearing on the Registration Books, to the Securities Depositories and the Municipal Securities Rulemaking Board, at least 20 but not more than 60 days prior to the date fixed for redemption; *provided, however,* that neither failure to receive any such notice so mailed nor any defect therein will affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon. Such notice must state the date of the notice, the redemption date, the redemption place and the redemption price and must designate the CUSIP numbers, the Bond numbers and the maturity or maturities (in the event of redemption of all of the Bonds of such maturity or maturities in whole) of the Bonds to be redeemed, and must require that such Bonds be then surrendered at the Office of the Trustee identified in such notice for redemption at the redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date.

Right to Rescind Notice of Optional Redemption. The District may rescind any notice of the optional redemption of Bonds by written notice to the Trustee on or prior to the dated fixed for redemption. Any notice of optional redemption will be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation will not constitute an Event of Default. The District and the Trustee have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee will mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent as described above for the original notice.

Effect of Redemption. From and after the date fixed for redemption, if notice of redemption has been duly mailed and funds available for the payment of the principal of and interest on the Bonds so called for redemption have been duly provided, such Bonds so called shall cease to be entitled to any benefit under the Indenture other than the right to receive payment of the redemption price, and no interest shall accrue thereon from and after the redemption date specified in such notice.

Book-Entry System

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered certificates registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered Bond will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. See “APPENDIX F – Book-Entry Provisions.”

The District and the Trustee cannot and do not give any assurances that DTC, DTC Participants or others will distribute payments of principal, interest or premium, if any, with respect to the Bonds paid to DTC or its nominee as the registered owner, or will distribute any redemption notices or other notices, to the Beneficial Owners, or that they will do so on a timely basis or will serve and act in the manner described in this Official Statement. The District and the Trustee are not responsible or liable for the failure of DTC or any DTC Participant to make any payment or give any notice to a Beneficial Owner with respect to the Bonds or an error or delay relating thereto. See “APPENDIX F – Book-Entry Provisions.”

SECURITY FOR THE BONDS

Source of Payment

The District is obligated to satisfy its obligations under the Bonds from all legally available funds. The obligations of the District under the Bonds, including the obligation to make all payments of principal of and interest on the Bonds when due and the obligation of the District to make the deposits required under the Indenture for the security of the Bonds, are obligations of the District imposed by law and are absolute and unconditional, without any right of set-off or counterclaim. The District has other obligations payable from its legally available funds, and the Indenture does not limit the amount such obligations that the District may incur in the future.

The Bonds do not constitute an obligation of the District for which the District is obligated to levy or pledge any form of taxation. Neither the Bonds nor the obligations of the District to make payments on the Bonds constitute an indebtedness of the District, the State, or any of its political subdivisions in contravention of any constitutional or statutory debt limitation or restriction.

Pursuant to the Indenture, the District covenants to take such action as may be necessary to include in each of its annual budgets the payments required to be made by the District to pay principal of and interest on the Bonds, and to make the necessary annual appropriations for all such payments. If any payment of Debt Service requires the adoption by the District of a supplemental budget or appropriation, the District has covenanted in the Indenture to promptly adopt the same. The covenants on the part of the District are deemed to constitute duties imposed by law and it is the duty of each and every public official of the District to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the District to carry out and perform the covenants and agreements in the Indenture.

Debt Service Fund

Pursuant to the Indenture, the District will transfer an amount of legally available funds to the Trustee for deposit in the debt service fund established pursuant to the Indenture (the “**Debt Service Fund**”) at the times and in the amounts sufficient to pay debt service on the Bonds. The Debt Service Fund will be held by the Trustee and so long as any Bonds are outstanding, the amounts on deposit therein will be used to pay principal of and interest on the Bonds.

Not later than the 5th Business Day preceding each Interest Payment Date, the District is required to transfer to the Trustee for deposit in the Interest Account and the Principal Account, as applicable, of the Debt Service Fund, an amount which, when added to the amount then on deposit in the such account, equals the aggregate amount of interest or principal, as applicable, coming due and payable on the Bonds on such date. Funds held by the Trustee may be invested in Permitted Investments (as defined in the Indenture) specified by the District.

THE DISTRICT

General

The District is a recreation and park district located in the County. The District was originally organized in 1947, and changed its name to the "Livermore Area Recreation and Park District" in 1959. The District provides parks and recreation facilities and services within the incorporated area of the City and adjacent unincorporated areas. Certain statistical and demographic information regarding the City, the County, and the State are set forth in APPENDIX E.

The District is governed by a five member Board, the members of which serve overlapping terms of four years, and are elected by voters within the District's boundaries, which is an approximately 243.5 square-mile area bounded by Contra Costa County to the north, San Joaquin County to the east, Santa Clara County to the south, and the cities of Pleasanton and Dublin to the west.

District Parks and Programs

The District's purpose is to provide residents of the City and the surrounding unincorporated County area with recreational programs and access to a system of parks, trails, recreation areas, and facilities that promote enjoyment, lifelong learning, and active lifestyles.

District Open Spaces/Preserves. The District operates and maintains four open space/preserves: Sycamore Grove, Park Holdener Park, Garaventa Wetlands Preserve, and Brushy Peak Regional Preserve. The District maintains a network of 23 neighborhood/community parks and 12 sports parks. The District also operates three facilities that are available for events/rentals: Ravenswood Historic Site, Carnegie, and the Veterans Memorial Building, as well as a facility known as "the Barn" that is now used for storage, and an equestrian center consisting of a stadium, one covered arena, and two open areas.

District Facilities. The main facilities operated by the District include Robert Livermore Community Center (RLCC), Robert Livermore Aquatic Center and May Nissen Swim Center, Veterans Memorial Hall, Carnegie Library Building, Bothwell Arts Center, R.E. Merritt Building, and Ravenswood Historic Site. The Camp Shelly family campground facility, located in South Lake Tahoe, is leased by the District from the U.S. Forest Service. The facility is open from mid-June through Labor Day, and includes 25 camp sites, a restroom facility with showers and a variety of recreational/interpretive activities. In addition, the District operates an equestrian center that consists of a stadium, one covered arena and two open areas, and parking.

District Programs. In addition to traditional recreation programs, the district offers youth development programs serving ages 3-12 in preschool, school-based childcare, and summer programs. These programs serve approximately 1,400 children in normal (non-pandemic) years. Preschool provides part-time, play-based, child-centered, educational preschool programs. Our play-based program reflects the integration of physical, cognitive, social, emotional, language and self-help areas for the total development of the child. Extended Student Services ("**ESS**") is a licensed child development program serving children grades TK through fifth grade within Livermore. ESS provides enriching curriculum which is developed by staff and children using the Project Approach model. This method of planning gathers children's interests based on what they want to learn and what they already know. PAL Middle School Program supports students as they move through middle school. This program is partially funded through a grant from the After School Education and Safety ("**ASES**") program which focuses on providing homework time along with daily enrichment activities like outdoor sports and group challenges, field trips, and time to socialize with their peers. The District's ESS, preschool, and middle school programs operate in 21 locations, including all Livermore Joint Unified School District locations.

For additional details on certain of these programs, see "DISTRICT FINANCIAL INFORMATION – Earned Income/Charges for Services."

Population Served by District

The population served by the District is largely located within the limits of the City. For additional statistical and demographic information about the City and the County, see APPENDIX E.

DISTRICT FINANCIAL INFORMATION

District Accounting Policies and Financial Reporting

Annual Budget. The District operates on a fiscal year basis beginning on July 1 and ending on the following June 30. In accordance with applicable provisions of the Public Resources Code, the District is required to adopt a preliminary budget by July 1 and a final budget not later than August 30 of each year. The budget consists of both an annual operating budget and a multi-year capital improvement program (CIP) budget.

With respect to the preliminary budget, the General Manger prepares an annual budget proposal. The Board's Finance Committee meets with the General Manager to review the annual budget proposal, which is then reviewed (as amended, if applicable) by the full Board no later than the first Board meeting in June. In accordance with applicable law, the preliminary budget is adopted by the Board by July 1. The General Manager then meets with the Finance Committee to review any revisions to the preliminary budget. The proposed final budget (as amended, if applicable) is presented to the full Board for review and adoption no later than August 30. While applicable law allows for the completion of the District's annual Operating Budget by August 30 each year, the District chooses to complete its Final Budget prior to the onset of the Fiscal Year (by June 30). Exceptions to the June 30th completion date require approval by the General Manager and the Board of Directors.

The General Manager may make adjustments within the final operating budget that do not exceed the total appropriations approved by the Board; provided, that Board approval must be obtained for line-item-specific adjustments that exceed $250,000 in total initial year commitments (combined capital and annual operating expenses). In addition, supplemental appropriations may be approved by resolution of the Board throughout the fiscal year when total appropriations budgeted would be exceeded.

As part of its annual budget process, the District creates a CIP budget. CIP budgets are project specific; adjustments to individual project spending plans that exceed the total, final project budget (including contingencies) must receive Board approval prior to the onset of such spending. Shifting of project spending from one fiscal year to another that does not reflect a change in a project's total budget must receive Board approval as well, if the total amount of spending would shift from one year to the next $250,000 or 25% of the originally approved project spending total, whichever is lower.

Annual Financial Statements. The District's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The District maintains one fund for accounting purposes – the "General Fund" – which is the general operating fund of the District and used to account for all transactions except those require or permitted by law to be accounted for in another fund. Additional accounting policies applicable to the District's financial statements are included in APPENDIX A.

The District's current auditor (the "**Auditor**") is the firm of James Marta & Company LLP. The audited financial statements of the District for Fiscal Year 2019-20 are contained in APPENDIX A. *The District's financial statements are public documents and are included within this Official Statement without the prior approval of the Auditor. Accordingly, the Auditor has not performed any post-audit of the financial condition of the District*.

Security for the Bonds. The Bonds are payable from all legally available funds of the District. Not all of the revenues and amounts accounted for in the audited financial statements of the District as part of the District's General Fund are available to payment of debt service on the Bonds. See "SECURITY FOR THE BONDS" and "RISK FACTORS."

Recent General Fund Budgets/COVID-19

As a recreation and park district, the District has been impacted by the ongoing COVID-19 pandemic. For example, various programs and activities once undertaken by the District within its facilities and parks were not able to be held, therefore resulting in lost revenue. This lost revenue was, to some extent, offset by addition costs associated with fewer staff members needed to administer the programs. In particular, in October 2020, the Board approved a re-organization plan that resulted in reductions in staff count across all District functions. In addition, property tax revenues and revenues from Special Tax 97-1 have not, to date, been adversely impacted by COVID-19.

General Fund Financial Summary

Current and Prior Year Operating Budget. Set forth below are excerpts from the District's current operating budget for Fiscal Year 2020-21 and its proposed operating budget for FY2021-22, compared with the audited actual results for Fiscal year 2019-20. The table shows funds legally available for payment of the Bonds, which is why AB1600 development impact fees and capital grants/contributions are excluded as such revenue sources are only available for capital costs.

Table 1
LIVERMORE AREA RECREATION AND PARK DISTRICT
Operating Revenues, Expenses and Fund Balances
(Excludes AB 1600 and Capital Grants and Contributions)[1]
Audited Actuals for 2019-20, Budgeted for 2020-21, and Proposed Budget for 2020-21

	Audited 2019-20	Budgeted 2020-21	Proposed 2021-22
Revenues for Operations			
Property taxes	$11,181,216	$11,710,767	$11,894,000
Special tax 97-1	1,585,718	1,653,969	1,624,092
Other tax-related	45,085	23,433	22,800
One-time PG&E proceeds	1,576,310	0	0
Earned income[2]	7,360,573	4,167,159	6,901,113
Total Revenues for Operations	21,748,902	17,555,328	20,442,006
Operating Expenses			
Salaries	10,349,170	7,706,672	9,087,987
Retirement benefits	1,683,357	1,564,621	1,790,201
Employee insurance	1,898,747	1,601,776	1,582,995
Workers' comp.	399,917	256,040	322,313
Payroll taxes	503,781	345,342	466,747
Unemployment Expense	112,249	447,651	72,000
Services & supplies	6,317,130	4,843,556	5,687,462
Capital outlay	39,128	8,795	0
Total Operating Expenses	**21,303,479**	**16,774,453**	**19,009,705**
NET OPERATING RESULTS	**$445,423**	**$780,875**	**$1,432,301**
General Fund Use - CIP	$273,316	$341,325	$367,675
NET CHANGE IN FUND BALANCES	**$172,107**	**$439,550**	**$1,064,626**
Fund Balance – Beginning	**$8,107,346**	**$8,279,453**	**$8,719,003**
Fund Balance – Ending	**$8,279,453**	**$8,719,003**	**$9,783,630**

(1) Excludes AB1600 development impact fees and capital grants/contributions, which are only available for payment of capital costs of the District.
(2) Earned income is generated by the District's programs, including the Extended Student Services (ESS) program. See "– Earned Income/Charges for Services." Budgeted 2020-21 for "Earned Income" substantially reduced due to impact of COVID-19 pandemic; similar reductions also reflected in operating expense categories. See "RISK FACTORS – COVID-19 Pandemic."

Source: *Livermore Area Recreation and Park District.*

Historical Audited Financials. Set forth below are excerpts from the District's general fund financial statements for fiscal years 2015-16 through 2019-20, compared to budgeted amounts for Fiscal Year 2020-21. The table shows funds legally available for payment of the Bonds, which is way AB1600 development impact fees and capital grants/contributions are excluded.

Table 2
LIVERMORE AREA RECREATION AND PARK DISTRICT
Operating Revenues, Expenses and Fund Balances
(Excludes AB 1600 and Capital Grants and Contributions) (1)
For Fiscal Years 2015-16 through 2019-20 (Audited)
and Fiscal Year 2020-21 (Budget)

	Audited 2015-16	Audited 2016-17	Audited 2017-18	Audited 2018-19	Audited 2019-20	Budgeted 2020-21
Revenues for Operations						
Property taxes	$8,380,883	$9,559,886	$9,775,270	$10,447,364	$11,181,216	$11,710,767
Special tax 97-1	1,428,561	1,536,838	1,517,820	1,548,789	1,585,718	1,653,969
Other tax-related	5,640	8,448	24,092	25,707	45,085	23,433
Earned income(2)	9,120,795	9,780,473	10,309,369	10,547,175	7,360,573	4,167,159
Croce fire reimbursement	401,363	100,882	0	0	0	0
Proceeds from PG&E financing(3)	0	0	0	0	1,576,310	0
Total Revenues for Operations	19,337,242	20,986,527	21,626,551	22,569,035	21,748,902	17,555,328
Operating Expenses						
Salaries	9,128,089	9,711,632	10,270,749	10,678,557	10,349,170	7,706,672
Retirement benefits	1,222,538	1,133,948	1,004,618	1,265,065	1,683,357	1,564,621
Employee insurance	1,219,351	1,335,574	1,380,442	1,706,047	1,898,747	1,601,776
Workers' comp.	405,441	568,122	625,890	560,344	399,917	256,040
Payroll taxes	413,544	454,289	514,580	523,855	503,781	345,342
Services & supplies	5,135,602	6,660,686	6,090,996	6,210,813	6,429,379	5,291,207
Capital outlay	424,819	602,291	473,874	318,780	39,128	8,795
Total Operating Expenses	17,949,384	20,466,542	20,361,149	21,263,461	21,303,479	16,774,453
CIP Capital Outlays from General Fund	699,920	42,850	(21,456)	2,334,930	273,316	341,325
NET CHANGE IN FUND BALANCES	687,938	477,135	1,286,858	(1,029,356)	172,107	780,875
Fund Balance – Beginning	$6,684,771	$7,372,709	$7,849,844	$9,136,702	$8,107,346	$8,279,453
Fund Balance – Ending	7,372,709	7,849,844	9,136,702	8,107,346	8,279,453	8,719,003

(1) Excludes AB1600 development impact fees and capital grants/contributions, which are only available for payment of capital costs of the District.
(2) Earned income is generated by the District's programs, including the Extended Student Services (ESS) program. See "– Earned Income/Charges for Services."
(3) Proceeds from PG&E financing represents payment from PG&E to the District related to an energy efficiency project undertaken by the District. This is a one-time payment and could be used by the District without restriction.
Source: Audited Financial Statements of the District for Fiscal Years 2015-16 – 2019-20; District budget for Fiscal Year 2020-21.

Operating Revenues by Source

The General Fund receives the following taxes and other revenues that are available for operations. In the following sections, the largest of these sources of revenue is described in greater detail.

Table 3
LIVERMORE AREA RECREATION AND PARK DISTRICT
Operating Revenues by Source
Fiscal Years 2017-18 – 2019-20

	2017-18		2018-19		2019-20	
Category	**Revenues**	**% of Total**		**% of Total**	**Revenues**	**% of Total**
Taxes:						
Property taxes	$9,775,270	45.2%	$10,447,364	46.3%	$11,181,216	51.4%
Special tax 97-1	1,517,820	7.0	1,548,789	6.9	1,585,718	7.3
Other tax-related	24,092	0.1	25,707	0.1	25,417	0.1
Earned income/charges for services:						
Extended student services (ESS)	5,049,467	23.4	5,141,359	22.8	4,015,336	18.5
Other charges for service	5,259,902	24.3	5,405,816	24.0	3,345,237	15.4
Mandated Program Reimbursement	--	--	--	--	19,668	0.1
Proceeds from PG&E financing	--	--	--	--	1,576,310	7.3
Total	**$21,626,551**	**100.0%**	**$22,569,035**	**100.0%**	**$21,748,902**	**100.0%**

Source: Livermore Area Recreation and Park District.

Property Taxes

Ad Valorem property taxes generally represent the largest source of operating revenue for the District. In addition, the District collects a special tax known as "Special Tax 97-1," which is described in more detail in the following section. This section describes the property tax levy and collection procedures and certain information regarding historical assessed values and major property taxpayers in the District.

General. In California, property which is subject to ad valorem taxes is classified as "secured" or "unsecured." Secured and unsecured property are entered on separate parts of the assessment roll maintained by the county assessor. The secured classification includes property on which any property tax levied by the County becomes a lien on that property sufficient, in the opinion of the County assessor, to secure payment of the taxes. Every tax which becomes a lien on secured property has priority over other liens (except certain federal claims) on the secured property, regardless of the time of the creation of other liens. A tax levied on unsecured property does not become a lien against the taxes on unsecured property, but may become a lien on certain other property owned by the taxpayer.

Property taxes on the secured roll are due in two installments, on November 1 and February 1. If unpaid, such taxes become delinquent on December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment. If such taxes remain unpaid as of June 30 of the fiscal year in which the taxes are levied, the property securing the taxes may only be redeemed by a payment of the delinquent taxes and the delinquency penalty, plus costs and a redemption penalty of 1-1/2% per month from the original June 30th date to the time of redemption. If taxes are unpaid for a period of five years or more, the tax-defaulted properties are thereafter subject to sale by the county tax collector as provided by law.

Property taxes on the unsecured roll are due as of the January 1 lien date and become delinquent if unpaid by August 31. A 10% penalty attaches to delinquent taxes on property on the unsecured roll, and an additional penalty of 1-1/2% per month begins to accrue on November 1. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the taxpayer; (2) filing of a certificate in the office of the county clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the county recorder's office in order to obtain a lien on certain property of the taxpayer; and (4) secure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee.

Property Tax Levies and Collections; Teeter Plan. The County has implemented the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds as provided for in the State Revenue and Taxation Code (the "**Teeter Plan**") with respect to the County-wide 1% ad valorem property tax levy, which requires the County to pay 100% of secured property taxes due to local agencies in the fiscal year such taxes are due, including the District. Under these provisions, the County has established a delinquency reserve and assumes responsibility for all secured delinquencies.

Under the Teeter Plan, the District is assured of 100% collection of its secured tax levies so long as the conditions established by the Teeter Plan are met. However, the District is not entitled to share in any penalties due on delinquent payments or in the interest which accrues on delinquent payments. The Teeter Plan is to remain in effect unless the Board of Supervisors orders its discontinuance or unless, prior to the commencement of any fiscal year of the County (which commences on July 1), the Board of Supervisors has received a petition for its discontinuance joined in by resolutions adopted by two thirds of the participating revenue districts in the County, in which event the Board of Supervisors is required to order discontinuance of the Teeter Plan effective at the commencement of the subsequent fiscal year.

The Board of Supervisors may, by resolution adopted not later than July 15 of the fiscal year for which it is to apply after holding a public hearing on the matter, discontinue the procedures under the Teeter Plan with respect to any tax levying agency or assessment levying agency in the County if the rate of secured tax delinquency in that agency in any year exceeds 3% of the total of all taxes and assessments levied on the secured rolls for that agency. In the event that the Teeter Plan was terminated, the amount of the levy of *ad valorem* property taxes in the District would depend upon the collections of the *ad valorem* property taxes and delinquency rates experienced with respect to the parcels within the District. The District is not aware of any plans by the County to discontinue the Teeter Plan.

Proposition 8 Reductions in Assessed Valuation. The Alameda County Assessor (the "**County Assessor**") assesses property as of its assessed valuation on January 1 of each year. If the market value as of January 1 is less than its base year value, annually adjusted by the inflation factor (generally 2 percent) pursuant to Article XIIIA of the State Constitution, then Proposition 8, adopted in November, 1978, allows for a temporary reduction in assessed value. In these cases, the County Assessor may lower the assessed valuation of any such real property. See "RISK FACTORS – Appeals of Assessed Values" for additional information.

Assessed Valuation History. The following table shows historical assessed valuations of taxable property in the District since Fiscal Year 2011-12.

Table 4
LIVERMORE AREA RECREATION AND PARK DISTRICT
Assessed Value of Taxable Property
Fiscal Years 2011-12 through 2020-21

Fiscal Year	Local Secured	Utility	Unsecured	Total	% Change
2011-12	$13,499,454,405	$16,676,789	$684,551,059	$14,200,682,253	--
2012-13	13,893,937,967	16,661,882	776,862,206	14,687,462,055	3.4%
2013-14	14,364,507,913	16,557,869	729,160,766	15,110,226,548	2.9
2014-15	15,502,066,662	15,963,204	675,839,216	16,193,869,082	7.2
2015-16	16,549,789,012	16,168,635	701,586,373	17,267,544,020	6.6
2016-17	17,585,129,862	16,079,445	721,654,675	18,322,863,982	6.1
2017-18	18,736,461,318	13,149,678	707,455,316	19,457,066,312	6.2
2018-19	19,932,849,142	13,261,314	782,788,882	20,728,899,338	6.5
2019-20	21,052,425,280	12,659,804	933,558,200	21,998,643,284	6.1
2020-21	22,007,419,584	12,463,593	959,361,917	22,979,245,094	4.5

Source: California Municipal Statistics, Inc.

Assessed Valuations by Land Use. The following table shows assessed valuations and parcels by land use for Fiscal Year 2020-21.

Table 5
LIVERMORE AREA RECREATION AND PARK DISTRICT
Assessed Valuation and Parcels by Land Use
Fiscal Year 2020-21

Non-Residential:	2020-21 Assessed Valuation(1)	% of Total	No. of Parcels	% of Total
Agricultural	$ 331,159,499	1.50%	913	2.73%
Commercial	1,848,034,240	8.40	566	1.69
Vacant Commercial	171,302,957	0.78	100	0.30
Industrial	2,338,399,432	10.63	608	1.81
Vacant Industrial	179,692,436	0.82	259	0.77
Recreational/Golf	68,916,853	0.31	29	0.09
Gov./Social/Institutional	67,049,002	0.30	1,267	3.78
Subtotal Non-Residential	$5,004,554,419	22.74%	3,742	11.17%
Residential:				
Single Family Residence	$14,105,512,351	64.09%	23,733	70.84%
Rural Residential	449,140,115	2.04	507	1.51
Condominium/Townhouse	1,573,595,947	7.15	3,581	10.69
Mobile Home	9,134,009	0.04	247	0.74
Mobile Home Park	24,985,065	0.11	11	0.03
2-4 Residential Units	267,557,354	1.22	525	1.57
5+ Residential Units/Apts	474,925,879	2.16	93	0.28
Vacant Residential	98,014,445	0.45	1,063	3.17
Subtotal Residential	$17,002,865,165	77.26%	29,760	88.83%
Total	$22,007,419,584	100.00%	33,502	100.00%

(1) Local Secured Assessed Valuation; excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

Assessed Valuations of Single-Family Homes. The following table shows the Fiscal Year 2020-21 per parcel assessed valuation of single-family homes in the District, as well as the averaged assessed valuation and medium assessed valuation of such homes.

Table 6
LIVERMORE AREA RECREATION AND PARK DISTRICT
Per Parcel 2020-21 Assessed Valuation of Single-Family Homes

	No. of Parcels	2020-21 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	23,733	$14,105,512,351	$594,342	$562,797

2020-21 Assessed Valuation	No. of Parcels[(1)]	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $49,999	126	0.531%	0.531%	$ 4,549,636	0.032%	0.032%
$50,000 - $99,999	1,459	6.148	6.678	108,991,744	0.773	0.805
$100,000 - $149,999	890	3.750	10.429	109,536,120	0.777	1.581
$150,000 - $199,999	747	3.148	13.576	131,203,967	0.930	2.512
$200,000 - $249,999	938	3.952	17.528	212,256,293	1.505	4.016
$250,000 - $299,999	1,187	5.001	22.530	327,229,879	2.320	6.336
$300,000 - $349,999	1,287	5.423	27.953	417,652,665	2.961	9.297
$350,000 - $399,999	1,203	5.069	33.022	451,731,162	3.203	12.500
$400,000 - $449,999	1,225	5.162	38.183	520,442,211	3.690	16.189
$450,000 - $499,999	1,244	5.242	43.425	590,775,363	4.188	20.378
$500,000 - $549,999	1,269	5.347	48.772	664,985,951	4.714	25.092
$550,000 - $599,999	1,197	5.044	53.815	688,537,825	4.881	29.973
$600,000 - $649,999	1,202	5.065	58.880	751,651,365	5.329	35.302
$650,000 - $699,999	1,284	5.410	64.290	867,649,150	6.151	41.453
$700,000 - $749,999	1,533	6.459	70.750	1,110,408,752	7.872	49.325
$750,000 - $799,999	1,292	5.444	76.193	999,397,257	7.085	56.411
$800,000 - $849,999	1,042	4.391	80.584	858,890,770	6.089	62.500
$850,000 - $899,999	760	3.202	83.786	663,450,923	4.703	67.203
$900,000 - $949,999	581	2.448	86.234	537,161,438	3.808	71.011
$950,000 - $999,999	530	2.233	88.468	516,252,956	3.660	74.671
$1,000,000-and greater	2,737	11.532	100.000	3,572,756,924	25.329	100.000
	23,733	100.000%		$14,105,512,351	100.000%	

(1) Improved single-family residential parcels. Excludes condominiums and parcels with multiple family units.
Source: California Municipal Statistics, Inc.

Largest Taxpayers. The 20 largest secured property taxpayers for Fiscal Year 2020-21, which comprise approximately 6% of the total secured assessed valuation, are as follows:

Table 7
LIVERMORE AREA RECREATION AND PARK DISTRICT
Top Twenty Local Secured Taxpayers
Fiscal Year 2020-21

	Property Owner	Primary Land Use	2020-21 Assessed Valuation	% of Total[1]
1.	Livermore Premium Outlets LLC[2]	Outlet Stores	$222,465,663	1.03%
2.	Livermore Oaks Joint Venture LLC	Industrial	152,239,091	0.70
3.	Arkay Properties LLC	Industrial	100,373,402	0.46
4.	Kaiser Foundation Hospitals	Industrial	76,794,531	0.35
5.	Longfellow Logistics Center LLC	Industrial	68,666,400	0.32
6.	Marathon Drive Buildings LLC	Industrial	66,888,484	0.31
7.	3055 Livermore Owner LLC	Office Building	63,862,780	0.29
8.	Raintree Ironwood LLC	Apartments	61,124,200	0.28
9.	Jack London Blvd. & Isabel Ave. LLC	Commercial Land	55,523,795	0.26
10.	Sequoia Equities Mill Springs	Apartments	52,418,151	0.24
11.	BTMU Capital Leasing & Finance Inc.	Industrial	48,071,102	0.22
12.	Sutter Health	Commercial Land	46,550,674	0.21
13.	Eleanor Sade Trust	Industrial	44,879,557	0.21
14.	174 Lawrence Drive Investors LLC	Industrial	44,163,657	0.20
15.	Valley Care Senior Housing Inc.	Apartments	42,481,116	0.20
16.	Livermore Investments LLC	Shopping Center	39,372,562	0.18
17.	Dorothy J. Anderson Trust	Shopping Center	38,505,022	0.18
18.	Arroyo-Livermore Business Park LP	Industrial	38,105,204	0.18
19.	Vineyard Management Company	Industrial	37,871,843	0.17
20.	PK I Plaza 580 SC LP	Shopping Center	37,090,000	0.17
			$1,337,447,234	6.17%

(1) 2020-21 Local Secured Assessed Valuation: $22,007,419,584.
(2) This entity operates an outlet mall under the name “San Francisco Premium Outlets.”
Source: California Municipal Statistics, Inc.

Special Tax 97-1

Special Tax 97-1 was approved by the voters of the District on June 3, 1997 to provide a source of funds for the installation, servicing, maintenance, repair and operation of park, recreation and appurtenant facilities which are operated, serviced and maintained by the District. The funds must be used for the furnishing of services and materials for the ordinary and usual operation, maintenance, and servicing of District facilities, including but not limited to personnel for maintenance and operations, utilities, building maintenance and custodial items, and contract maintenance services.

The revenues generated by Special Tax 97-1 were intended to help the District recover some of the revenues lost when the State shifted nearly half of the District’s property taxes to the Educational Revenue Augmentation Fund (ERAF) in 1992, and remains ongoing. Special Tax 97-1 replaced an assessment district levy that had been in place for three years prior to the approval of the special tax, and is generally levied on all taxable property within the District, with certain minor exceptions.

Each fiscal year, the Board of the District establishes the rate at which Special Tax 97-1 shall be levied, and is permitted to increase the amount per Equivalent Dwelling Unit ("**EDU**") by up to 2% per year. For Fiscal Year 2020-21, the special tax rate is $36.44 per EDU, generating approximately $1.6 million (based on then-existing EDUs and assuming no growth). Parcels developed for single-family residential uses, including condominiums are taxed for 1.00 EDU, while multi-family residential units and other land use types are taxed based on different EDU designations. Revenues received by the District from Special Tax 97-1 are to be used for the maintenance and operation of park facilities. For Fiscal Year 2020-21, 97-1 revenues cover about 39% of the District's annual operating expenses for park operations, with the remainder coming from property taxes.

Earned Income/Charges for Services

Earned income typically represents the second-largest source of operating revenue for the District, behind ad valorem property taxes. Within the category of earned income, the Extended School Services ("**ESS**") program is the largest contributor of revenues.

Extended Student Services. In addition to traditional recreation programs, the district offers youth development programs serving ages 3-12 in preschool, school-based childcare, and summer programs. These programs serve approximately 1,400 children in normal (non-pandemic) years. Preschool provides part-time, play-based, child-centered, educational preschool programs. Our play-based program reflects the integration of physical, cognitive, social, emotional, language and self-help areas for the total development of the child. ESS is a licensed child development program serving children grades TK through fifth grade within Livermore. ESS provides enriching curriculum which is developed by staff and children using the Project Approach model. This method of planning gathers children's interests based on what they want to learn and what they already know. PAL Middle School Program supports students as they move through middle school. This program is partially funded through a grant from the After School Education and Safety (ASES) program which focuses on providing homework time along with daily enrichment activities like outdoor sports and group challenges, field trips, and time to socialize with their peers.

Other Earned Income. In addition to the ESS program, the District operates a variety of programs for which it charges a fee and earns income. For example, the classes, camps and events group at the District is in charge of a wide range of enrichment classes, for various age groups from preschool to adults, which are offered at multiple locations. The adult sports & fitness group includes leagues as well as drop-in gym programs for adult sports such as softball, soccer, pickle ball, ultimate frisbee and basketball. The senior services program offers a variety of recreational, educational and social activities to promote independence, mental and physical fitness, social engagement and community involvement. Staff conducts activities and special events, plans and conducts trips, provides support services and offers information and referrals.

ESS revenues and other earned income received by the District are available to pay debt service on the Bonds.

General Fund Long-Term Obligations

The District's long-term obligations consist of its Net Pension Liability and Net OPEB Liability, which are discussed below under "–Pension Plan" and "–Other Post-Employment Benefits (OPEB)," as well as compensated absences. The District has no other long-term bonded debt.

Direct and Overlapping Bonded Debt

The ability of land-owners within the District to pay property tax installments as they come due could be affected by the existence of other taxes and assessments imposed upon the land. The statement of direct and overlapping debt (the "**Debt Report**") set forth below was prepared by California Municipal Statistics, Inc. as of May 1, 2021. The Debt Report includes only such information as has been reported to California Municipal Statistics, Inc. by the issuers of the debt described therein and by others. The Debt Report is included for general information purposes only. Neither the District nor the Underwriter takes responsibility for its completeness or accuracy.

Table 8
LIVERMORE AREA RECREATION AND PARK DISTRICT
Direct and Overlapping Bonded Debt
As of May 1, 2021

2020-21 Assessed Valuation: $22,979,245,094

OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt
Alameda County	6.933%	$ 13,262,829
Bay Area Rapid Transit District	2.683	50,222,809
Chabot-Las Positas Community College District	16.354	97,026,647
Livermore Valley Joint Unified School District	99.629	198,366,320
Pleasanton Unified School District	1.579	2,132,676
East Bay Regional Park District	0.238	316,945
City of Livermore Community Facilities District No. 99-1	100.000	11,280,000
City of Livermore Community Facilities District No. 2009-1, I.A. 1	100.000	17,747,353
City of Livermore Community Facilities District No. 2009-1, I.A. 2	100.000	4,419,977
City of Livermore Community Facilities District No. 2009-1, I.A. 3	100.000	2,794,623
City of Livermore Community Facilities District No. 2016-2	100.000	8,815,000
City of Livermore 1915 Act Bonds	100.000	919,537
California Statewide Communities Development Authority 1915 Act Bonds	100.000	9,774,586
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		$417,079,302
DIRECT AND OVERLAPPING GENERAL FUND DEBT:		
Alameda County General Fund Obligations	6.933%	$ 55,209,732
City of Livermore Certificates of Participation	100.000	49,500,000
Livermore Recreation and Park District	**100.000**	**0**(1)
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT		$104,709,732
Less: City of Livermore obligations supported by enterprise revenue and impact fees		7,465,000
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT		$ 97,244,732
OVERLAPPING TAX INCREMENT DEBT (Livermore Successor Agency):		$18,535,000
GROSS COMBINED TOTAL DEBT		$540,324,034(2)
NET COMBINED TOTAL DEBT		$532,859,034

(1) Excludes Bonds to be sold.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

Employee Relations

The District currently has 77 full-time employees, as well as a seasonally-driven complement of part-time staff. The District plans to have approximately 147 staff in place for Fiscal Year 2021-22 on average, ranging from 122 in non-peak months to 218 during peak programming months. None of the District's employees/staff are represented by a labor group. The District believes its relations with its employees are good, and has never experienced a labor-related work stoppage.

The significant increase in full-time employees projected for Fiscal Year 2021-22 from the prior fiscal year is a result of right-sizing the District's staffing after reductions due to COVID-19 pandemic.

Pension Plan

The following information concerning ACERA is excerpted from publicly available sources, which the District believes to be accurate. ACERA is not obligated in any manner for payment of debt service on the Bonds, and the assets of ACERA are not available for such payment.

General. The District contributes to ACERA, which is a cost-sharing multiple-employer, defined benefit, public employee retirement system. The system provides service retirement, disability, death, and survivor benefits to plan members and beneficiaries. The County administers the Plan under provisions of the County Employees Retirement Law of 1937. Alameda County Employees' Retirement Association issues a separate comprehensive annual financial report. Copies of the annual financial report may be obtained by visiting their website at www.acera.org.

The management of ACERA is vested with the ACERA Board of Retirement. The ACERA Board of Retirement consists of nine members and two alternates. The County Treasurer is a member of the Board of Retirement by law and is elected by the general public. Four members are appointed by the Board of Supervisors, one of whom may be a County Supervisor. Two active members are elected by the general members; one active member and one alternate are elected by the safety members; one retired member and one alternate are elected by the retired members. All members of the Board of Retirement serve terms of three years, except for the County Treasurer whose term runs concurrent with his term as County Treasurer.

Benefits Provided. Membership for employees is effective on the first day of employee's hire in an ACERA covered position. The first date of employment is the date of entry into ACERA membership. As of this date of entry, payroll deductions for retirement contributions begin and service credit for each hour of work is earned. Any new member who becomes a member on or after January 1, 2013 is placed into Tier 4 and is subject to the provisions of PEPRA (described below).

General members enrolled in Tiers 1 or 3 are eligible to retire once they attain the age of 70 regardless of service or at age 50 with five or more years of retirement service credit and a total of 10 years of qualifying membership. A non-Tier 4 General member with 30 years of service is eligible to retire regardless of age. General members enrolled in Tier 4 are eligible to retire once they have attained the age of 52 and have acquired five years of retirement service credit, or at age 70 regardless of service. The retirement benefit the member will receive is based upon age at retirement, final average compensation, years of retirement service credit and retirement plan and tier. Benefits provided for each tier are included in Note 5 to the District's audited financial statements set forth as APPENDIX A hereto.

Contributions. The District contributes to the retirement plan based upon actuarially determined contribution rates adopted by the Board of Retirement. Employer contribution rates are adopted annually based upon recommendations received from ACERA's actuary after the completion of the annual actuarial valuation. Members are required to make contributions to ACERA regardless of the retirement plan or tier in which they are included.

For the fiscal years ended June 30, 2020 and 2019, employer contributions by the District to ACERA were $1,306,574 and $1,100,236, respectively.

Pension Liabilities, Expenses and Related Information. As of June 30, 2020, the District reported net pension liabilities for its proportionate share of the net pension liability of $13,701,573 compared with a net pension liability as of June 30, 2019 of $15,804,862.

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of December 31, 2018, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to June 30, 2019. 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 participating employers, actuarially determined.

The District's proportionate share of the net pension liability for the Plan as of June 30, 2020 and 2019, as well as various actuarial assumptions and the discount rate related to the Plan, are shown in Note 5 to the District's audited financial statements set forth as APPENDIX A hereto.

PEPRA. On September 12, 2012, the California Governor signed AB 340, a bill that enacted the California Public Employees' Pension Reform Act of 2012 ("**PEPRA**") and that also amended various sections of the California Education and Government Codes, including the County Employees Retirement Law of 1937. Effective January 1, 2013, PEPRA: (i) requires public retirement systems and their participating employers to share equally with employees the normal cost rate for such retirement systems; (ii) prohibits employers from paying employer-paid member contributions to such retirement systems for employees hired after January 1, 2013; (iii) establishes a compulsory maximum non-safety benefit formula of 2.5% at age 67; (iv) defines final compensation as the highest average annual pensionable compensation earned during a 36-month period; and (v) caps pensionable income at $110,100 ($132,120 for employees not enrolled in Social Security) subject to Consumer Price Index increases. Other provisions reduce the risk of the District incurring additional unfunded liabilities, including prohibiting retroactive benefits increases, generally prohibiting contribution holidays, and prohibiting purchases of additional non-qualified service credit.

Litigation involving ACERA. Labor organizations have challenged the implementation of PEPRA, alleging that the "anti-spiking" reform provisions interfere with vested rights of current members of ACERA, of which the District is a member agency. The primary case arising in the County was consolidated with several similar cases from other counties. The consolidated cases are now entitled *Alameda County Deputy Sheriff's Association v. Alameda County Employees Retirement Ass.* and the matter is now on remand from the California Supreme

Court (Case No. S247095), following a decision rendered by the California Supreme Court in July 2020. As noted above, the enactment and implementation of PEPRA eliminated several mechanisms whereby retirees could significantly enhance pension benefits through adding the value of unused accumulated vacation and sick leave buy backs at or near the time of retirement. The Supreme Court's ruling generally upholds implementation of the legislative pension reforms, accordingly the pension costs of the District are not anticipated to be materially impacted by the litigation.

Unfunded Liability of Plan under ACERA Contract. The ACERA Contract represents the District's contractual and statutory obligation to make such payments to ACERA on behalf of Plan participants. Payments under the ACERA Contract are an absolute and unconditional obligation imposed upon the District and enforceable against the District and are not limited as to payment as to any special source of funds of the District. ACERA prepared an actuarial valuation report for the District (an "**Actuarial Valuation**"), setting forth the Unfunded Liability of the District under the ACERA Contract as of December 31, 2020. As shown in the Actuarial Valuation, the total Unfunded Liability of the District as of December 31, 2020 was $13,275,000.

As part of the financing, the District anticipates prepaying approximately $12,611,250 of its Unfunded Liability. The Bonds have been structured to produce a more sustainable projected annual pension cost schedule and annual savings to the District. Prior to the closing date for the Bonds, the District will obtain from ACERA a "pay-off" letter setting forth the Unfunded Liability of the District with respect to the ACERA Contract as of the expected pay-off date. Following the prepayment, the District's funded ratio is anticipated to rise from 79% to 99%. See "PLAN OF FINANCING."

Other Post-Employment Benefits (OPEB)

The District provides certain other post-employment benefits (OPEB) to retired employees through ACERA.

For retirees not purchasing individual insurance through the Individual Medicare Insurance Exchange, a maximum monthly medical allowance of $540.44 per month was provided, effective January 1, 2018 and through December 31, 2018. For the period January 1, 2019 through December 31, 2019, the maximum allowance is $558.00 per month. For those purchasing individual insurance through the Medicare exchange, the Monthly Medical Allowance was $414.00 per month for 2018 and is $427.46 for 2019 These Allowances are subject to a subsidy schedule based on years of service. Non-duty disabled retirees receive the same monthly medical allowance as service retirees. Duty disabled retirees receive the same monthly medical allowance as those service retirees with 20 or more years of service. In addition, full Medicare Part B premiums are reimbursed to qualified retired members. Dental and vision benefits are also provided for retirees.

As of June 30, 2020, the District reported a liability of $495,308 compared to a liability as of June 30, 2019 of $950,150, in each case, for the District's proportionate share of the collective net OPEB liability. The collective net OPEB liability was measured as of December 31, 2018, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the collective net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2019, the District's proportion was 0.439%, which was a increase of 0.031% from its proportion measured as of December 31, 2018 (0.408%).

See APPENDIX A for additional details, including actuarial assumptions, related to the District's OPEB obligations.

Risk Management

For risk management and insurance purposes, the District is a member of the California Association for Park and Recreation Indemnity ("**CAPRI**"), a joint powers authority. CAPRI provides liability, property and workers' compensation coverage for the District. CAPRI is governed by a Board consisting of representatives from member agencies. The Board controls their operations, including selection of management and approval of operating budgets, independent of any influence by the member agencies beyond their representation on the Board. Each member agency pays a contribution commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in the joint powers authority.

For more information, see Note 9 to the District's audited financial statements attached as APPENDIX A.

General Fund – Fund Balances

The following table shows the fund balances in the District's General Fund for five years.

Table 10
LIVERMORE AREA RECREATION AND PARK DISTRICT
General Fund – Fund Balances
For Fiscal Years 2015-16 through 2019-20 (Audited)

Category	Audited 2015-16	Audited 2016-17	Audited 2017-18	Audited 2018-19	Audited 2019-20
Nonspendable	$0	$48,644	$11,028	$7,128	$97,909
Restricted	493,878	133,820	323,832	329,234	1,911,397
Unassigned	6,878,831	7,667,380	8,801,842	7,770,984	6,270,147
Total Fund Balances	**$7,372,709**	**$7,849,844**	**$9,136,702**	**$8,107,346**	**$8,279,453**

Source: Audited Financial Statements for Fiscal Years 2015-16 – 2019-20

Investment Policy and Portfolio

The District invests surplus cash in investments authorized by State law, with the primary goals of preserving principal and liquidity, pursuant to an investment policy adopted by the Board. Substantially all of the District's cash is in the Alameda County Treasurer, which pools and invests the cash held on behalf of multiple local agencies. As of May 31, 2021, the District's pooled investment portfolio had a market value of $10.1 million, of which approximately $8.0 million was held by the Alameda County Treasurer in a pooled investment fund.

Non-Operating Revenues and Expenses

As noted earlier, as part of its annual budget process, the District adopts a CIP budget. The CIP budget is for capital expenditures that typically take more than one fiscal year to complete. The CIP budget is funded primarily through impact fees levied on developers of new projects within the District, also referred to as AB1600 development impact fees. These fees are dedicated to capital improvements and are not legally available for paying debt service on the Bonds; accordingly, they have been removed from the various tables in this Official Statement that show operating revenues only. The AB1600 development impact fees due to the District are held by the City, on behalf of the District, and utilized by the District for capital projects as and when needed.

CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS

The ability of the District to raise fees, taxes and other revenues is limited. Following is a description of certain constitutional limitations on taxes and appropriations applicable to the District. For a description of other factors relating to the revenues of the District, see "THE DISTRICT" and "DISTRICT FINANCIAL INFORMATION" herein.

Article XIIIA of the State Constitution

Section 1(a) of Article XIIIA of the State Constitution limits the maximum ad valorem tax on real property to 1% of full cash value (as defined in Section 2 of Article XIIIA), to be collected by counties and apportioned according to law. Section 1(b) of Article XIIIA provides that the 1% limitation does not apply to ad valorem taxes to pay interest or redemption charges on (1) indebtedness approved by the voters prior to June 1, 1978 or (2) any bonded indebtedness for the acquisition or improvement of real property approved on or after June 1, 1978, by two thirds of the votes cast by the voters voting on the Proposition. Section 2 of Article XIIIA defines "full cash value" to mean "the county assessor's valuation of real property as shown on the 1975–76 tax bill under 'full cash value' or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment." The full cash value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or to reflect a reduction in the consumer price index or comparable data for the area under taxing jurisdiction or reduced in the event of declining property value caused by substantial damage, destruction or other factors. Legislation enacted by the State Legislature to implement Article XIIIA provides that notwithstanding any other law, local agencies may not levy any ad valorem property tax except to pay debt service on indebtedness approved by the voters as described above. For Fiscal Year 2021-22, the inflation rate is set at 1%.

The voters of the State subsequently approved various measures that further amended Article XIIIA. One such amendment generally provides that the purchase or transfer of (i) real property between spouses or (ii) the principal residence and the first $1,000,000 of the full cash value of other real property between parents and children, does not constitute a "purchase" or "change of ownership" triggering reassessment under Article XIIIA. This amendment could serve to reduce the property–tax revenues of the District. Other amendments permitted the State Legislature to allow persons over 55 or "severely disabled homeowners" who sell their residences and buy or build another of equal or lesser value within two years in the same county, to transfer the old residence's assessed value to the new residence.

In the November 1990 election, the voters approved the amendment of Article XIIIA to permit the State Legislature to exclude from the definition of "newly constructed" the construction or installation of seismic retrofitting improvements or improvements utilizing earthquake hazard mitigation technologies constructed or installed in existing buildings after November 6, 1990.

Article XIIIA has also been amended to permit reduction of the “full cash value” base in the event of declining property values caused by damage, destruction or other factors, provided that there would be no increase in the “full cash value” base in the event of reconstruction of property damaged or destroyed in a disaster.

Article XIIIB of the State Constitution

Article XIIIB of the State Constitution limits the annual appropriations of the State and of any city, county, school district, special district, authority or other political subdivision of the State to the appropriations limit for the prior fiscal year, as adjusted for changes in the cost of living, population and services for which the fiscal responsibility is shifted to or from the governmental entity. The “base year” for establishing this appropriations limit is the 1978–79 fiscal year. The appropriations limit may also be adjusted in emergency circumstances, subject to limitations.

Appropriations of an entity of local government subject to Article XIIIB generally include authorizations to expend during a fiscal year the “proceeds of taxes” levied by or for the entity, exclusive of certain State subventions, refunds of taxes, and benefit payments from retirement, unemployment insurance and disability insurance funds. “Proceeds of taxes” include but are not limited to, all tax revenues, certain State subventions received by the local governmental entity and the proceeds to the local governmental entity from (1) regulatory licenses, user charges, and user fees (to the extent that such proceeds exceed the cost of providing the service or regulation) and (2) the investment of tax revenues. Article XIIIB provides that if a governmental entity’s revenues in any year exceed the amounts permitted to be spent, the excess must be returned by revising tax rates or fee schedules over the subsequent two fiscal years.

Article XIIIB does not limit the appropriation of moneys to pay debt service on indebtedness existing or authorized as of January 1, 1979, or for bonded indebtedness approved thereafter by a vote of the electors of the issuing entity at an election held for that purpose, or appropriations for certain other limited purposes. Furthermore, Article XIIIB was amended in 1990 to exclude from the appropriations limit “all qualified capital outlay projects, as defined by the Legislature” from proceeds of taxes. The Legislature has defined “qualified capital outlay project” to mean a fixed asset (including land and construction) with a useful life of 10 or more years and a value which equals or exceeds $100,000.

Articles XIIIC and XIIID of the State Constitution

On November 5, 1996, the voters of the State approved Proposition 218, known as the “Right to Vote on Taxes Act.” Proposition 218 added Articles XIIIC and XIIID to the California Constitution and contains a number of interrelated provisions affecting the ability of the District to levy and collect both existing and future taxes, assessments, fees and charges. The interpretation and application of Proposition 218 is still being determined by the courts with respect to a number of the matters discussed below, and it is not possible at this time to predict with certainty the outcome of such determinations.

Article XIIIC requires that all new local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes of the District require a majority vote and taxes for specific purposes, even if deposited in the District’s General Fund, require a two–thirds vote. Further, any general purpose tax the District imposed, extended or increased without voter approval after December 31, 1994 may continue to be imposed only if approved by a majority vote in an election that must be held before November 6, 1998. The voter–

approval requirements of Article XIIIC reduce the flexibility of the District to raise revenues for the General Fund, and no assurance can be given that the District will be able to impose, extend or increase such taxes in the future to meet increased expenditure needs.

Article XIIID also adds several provisions making it generally more difficult for local agencies to levy and maintain fees, charges, and assessments for municipal services and programs. These provisions include, among other things, (i) a prohibition against assessments that exceed the reasonable cost of the proportional special benefit conferred on a parcel, (ii) a requirement that assessments confer a "special benefit," as defined in Article XIIID, over and above any general benefits conferred; (iii) a majority protest procedure for assessments which involves the mailing of notice and a ballot to the record owner of each affected parcel, a public hearing and the tabulation of ballots weighted according to the proportional financial obligation of the affected parties, and (iv) a prohibition against fees and charges used for general governmental services, including police, fire and library services, where the service is available to the public at large in substantially the same manner as it is to property owners.

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

Article XIIIC also removes limitations on the initiative power in matters of reducing or repealing local taxes, assessments, fees or charges. No assurance can be given that the voters of the District will not, in the future, approve an initiative or initiatives which reduce or repeal local taxes, assessments, fees or charges currently comprising a substantial part of the District's General Fund. If such repeal or reduction occurs, the District's operations could be adversely affected. See "DISTRICT FINANCIAL INFORMATION."

Proposition 62

At the November 4, 1986, general election, the voters of the State approved Proposition 62, a statutory initiative (1) requiring that any tax imposed by local governmental entities for general governmental purposes be approved by resolution or ordinance adopted by two–thirds vote of the governmental agency's legislative body and by a majority of the electorate of the governmental entity; (2) requiring that any special tax (defined as taxes levied for other than general governmental purposes) imposed by a local governmental entity be approved by a two–thirds vote of the voters within that jurisdiction; (3) restricting the use of revenues from a special tax to the purposes or for the service for which the special tax was imposed; (4) prohibiting the imposition of ad valorem taxes on real property by local governmental entities, except as permitted by Article XIIIA; (5) prohibiting the imposition of transaction taxes and sales taxes on the sale of real property by local governmental entities; and (6) requiring that any tax imposed by a local governmental entity on or after August 1, 1985, be ratified by a majority vote of the electorate within two years of the adoption of the initiative or be terminated by November 15, 1988.

Following its adoption by the voters, various provisions of Proposition 62 were declared unconstitutional at the appellate court level. On September 28, 1995, however, the California Supreme Court, in *Santa Clara District Local Transportation Authority v. Guardino*, upheld the constitutionality of the portion of Proposition 62 requiring a two–thirds vote in order for a local government or district to impose a special tax and, by implication, upheld a parallel provision requiring a majority vote in order for a local government or district to impose any general tax. The *Guardino* decision did not address whether it should be applied retroactively.

In response to *Guardino*, the California Legislature adopted Assembly Bill 1362, which provided that *Guardino* should apply only prospectively to any tax that was imposed or increased by an ordinance or resolution adopted after December 14, 1995. Assembly Bill 1362 was vetoed by the Governor; hence the application of the *Guardino* decision on a retroactive basis remains unclear. The *Guardino* decision also did not decide the question of the applicability of Proposition 62 to charter cities. Two cases decided by the California Courts of Appeals in 1993, *Fielder v. District of Los Angeles* (1993) 14 Cal.App.4th 137 (rev. den. May 27, 1993), and *Fisher v. County of Alameda* (1993) 20 Cal.App.4th 120 (rev. den. Feb. 24, 1994), held that the restriction imposed by Proposition 62 on property transfer taxes did not apply to charter cities because charter cities derive their power to enact such taxes under Article XI, Section 5, of the California Constitution relating to municipal affairs.

Proposition 62, as an initiative statute, does not have the same level of authority as a constitutional initiative. It is analogous to legislation adopted by the State Legislature, except that it may be amended only by a vote of the State's electorate. However, Proposition 218, as a constitutional amendment, is applicable to charter cities and supersedes many of the provisions of Proposition 62.

Proposition 1A

Senate Constitutional Amendment No. 4 was enacted by the Legislature and subsequently approved by the voters as Proposition 1A at the November 2004 election. Among other things, Proposition 1A amended the State Constitution to reduce the Legislature's authority over local government revenue sources by placing restrictions on the State's access to local governments' property, sales and vehicle-license fee revenues as of November 3, 2004, and by providing that the State may not reduce any local sales-tax rate, limit existing local government authority to levy a sales–tax rate or change the allocation of local sales-tax revenues, subject to certain exceptions. Proposition 1A provides, however, that beginning in fiscal year 2008-09, the State may shift to schools and community colleges up to 8% of local government property tax revenues, which amount must be repaid, with interest, within three years. This shift of local government property tax can be accomplished if the Governor proclaims that the shift is needed due to a severe state financial hardship, the shift is approved by two-thirds of both houses and certain other conditions are met.

Proposition 22

Proposition 22, entitled "The Local Taxpayer, Public Safety and Transportation Protection Act," was approved by the voters of the State in November 2010. Proposition 22 eliminates or reduces the State's authority to (i) temporarily shift property taxes from cities, counties and special districts to schools, (ii) use vehicle license fee revenues to reimburse local governments for State-mandated costs (the State will have to use other revenues to reimburse local governments), (iii) redirect property tax increment from redevelopment agencies to any other local government, (iv) use State fuel tax revenues to pay debt service on State transportation bonds, or (v) borrow or change the distribution of State fuel tax revenues.

Unitary Property

AB 454 (Chapter 921, Statutes of 1986) provides that revenues derived from most utility property assessed by the State Board of Equalization ("**Unitary Property**"), commencing with the 1988–89 fiscal year, are allocated as follows: (i) each jurisdiction will receive up to 102% of its prior year State–assessed revenue; and (ii) if county-wide revenues generated from Unitary Property are less than the previous year's revenues or greater than 102% of the previous year's revenues, each jurisdiction will share the burden of the shortfall or benefit of the excess revenues by a specified formula. This provision applies to all Unitary Property except railroads, whose valuation will continue to be allocated to individual tax rate areas.

The provisions of AB 454 do not constitute an elimination of the assessment of any State–assessed properties nor a revision of the methods of assessing utilities by the State Board of Equalization. Generally, AB 454 allows valuation growth or decline of Unitary Property to be shared by all jurisdictions in a county.

Future Initiatives

Article XIIIA, Article XIIIB and Propositions 62, 218, and Proposition 1A were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time, other initiative measures could be adopted, further affecting the District's revenues or its ability to expend revenues.

RISK FACTORS

The following factors, along with other information in this Official Statement, should be considered by potential investors in evaluating the risks in the purchase of the Bonds. However, the following is not an exhaustive listing of risk factors and other considerations which may be relevant to an investment in the Bonds. There can be no assurance that other risk factors will not become evident at any future time.

Limitations on Remedies; Bankruptcy

The enforcement of any rights and remedies provided in the Indenture, including but not limited to the remedy of suit in law or equity, could be substantial and the process lengthy. The enforceability of the rights and remedies of the Owners and the obligations of the District may become subject to the following: the United States Bankruptcy Code (the "**Bankruptcy Code**") and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; equitable principles which may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers delegated to it by the federal Constitution; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of servicing a significant and legitimate public purpose.

The opinions of counsel, including Bond Counsel, delivered in connection with the issuance of the Bonds will be so qualified. Bankruptcy proceedings, or the exercising of powers by the federal or state government, if initiated, could subject the Owners to judicial discretion and interpretation of their rights in bankruptcy or otherwise and consequently may entail risks of delay, limitation, or modification of their rights.

Any suit requesting accelerated payment of the Bonds and/or money damages could be subject to limitations on legal remedies against municipalities in the State, including a limitation on enforcement of judgments against funds needed to serve the public welfare and interest.

Bankruptcy proceedings, or the exercising of powers by the federal or State government, if initiated, could subject the Owners to judicial discretion and interpretation of their rights in bankruptcy or otherwise and consequently may entail risks of delay, limitation, or modification of their rights, including their right to full repayment as well as payment terms. Many issues under Chapter 9, have not yet been the subject of reported appellate decisions, and it has become difficult to anticipate judicial rulings in municipal bankruptcies due to inconsistencies in opinions at the Bankruptcy Court and District Court level. For example, there is now some uncertainty regarding whether bondholders would be entitled to receive remittances of special revenues net of permitted necessary operating expenses during the pendency of a Chapter 9 bankruptcy proceeding and prior to confirmation of a plan of adjustment. This is based upon a lack of relevant appellate decisions, as well as inconsistencies in District Court holdings in in Puerto Rico's ongoing proceedings pursuant to the Puerto Rico Oversight, Management, and Economic Stability Act ("**PROMESA**") (which contains similarities to and incorporates certain provisions of Chapter 9 of the Bankruptcy Code, but which was not enacted as a part thereof) and prior municipal bankruptcy case decisions.

No Limit on Additional Obligations

The District has other obligations payable from its operating revenues. The District has the ability to enter into other obligations that would constitute additional charges against its general operating revenues without limitation under the Indenture. To the extent that such additional obligations are incurred by the District, the funds available to make payments on the Bonds may decrease.

Future Pension Benefit Liability

Many factors influence the amount of the District's pension benefit liabilities, including, without limitation, inflationary factors, changes in statutory provisions of retirement system laws applicable to ACERA, changes in the levels of benefits provided or in the contribution rates of the District, increases or decreases in the number of covered employees, changes in actuarial assumptions or methods, and differences between actual and anticipated investment experience of ACERA. Any of these factors could give rise to additional liability of the District to its pension plans as a result of which the District would be obligated to make additional payments to its pension plans, in addition to making payments to amortize the Bonds, in order to fully fund of the District's obligations to ACERA.

Assessed Value of Taxable Property

Natural and economic forces can affect the assessed value of taxable property within the District, thereby reducing property taxes available to the District to pay the Bonds.

The District is located in a seismically active region, and damage from an earthquake in or near the area could cause moderate to extensive damage to taxable property. Other natural or manmade disasters, such as flood, fire, drought, toxic dumping, or acts of terrorism, could cause a reduction in the assessed value of taxable property within the District. Economic and market forces, such as a downturn in the regional economy generally, can also affect assessed values, particularly as these forces might reverberate in the residential housing and commercial property markets. In addition, the total assessed value can be reduced through the reclassification of taxable property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes). Reductions in the market values of taxable property may cause property owners to appeal assessed values and may be associated with an increase in delinquency rates for taxes.

See also "– Geologic, Topographic and Climatic Conditions" below.

Appeals of Assessed Values

The District's largest source of available funds to make payments on the Bonds consists of ad valorem property taxes. Ad valorem property taxes are dependent on the assessed valuations of taxable property. There are two types of appeals of assessed values that could adversely impact property tax revenues of the District in the future:

> Proposition 8 Appeals. Most of the appeals that might be filed in the District would be based on Section 51 of the Revenue and Taxation Code, which requires that for each lien date the value of real property must be the lesser of its base year value annually adjusted by the inflation factor pursuant to Article XIIIA of the State Constitution or its full cash value, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property or other factors causing a decline in value.
>
> Under California law, property owners may apply for a reduction of their property tax assessment by filing a written application, in form prescribed by the State Board of Equalization, with the appropriate county board of equalization or assessment appeals board. In most cases, the appeal is filed because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value. These market-driven appeals are known as Proposition 8 appeals.
>
> Any reduction in the assessment ultimately granted as a Proposition 8 appeal applies to the year for which application is made and during which the written application was filed. These reductions are often temporary and are adjusted back to their original values when market conditions improve. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIIIA.

However, current case law is uncertain as to whether or not property may be adjusted to its prior value at once or if adjustments may only be made subject to the 2% limitation. See “CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS – Article XIIIA of the State Constitution."

Base Year Appeals. A second type of assessment appeal is called a base year appeal, where the property owners challenge the original (basis) value of their property. Appeals for reduction in the "base year" value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. The base year is determined by the completion date of new construction or the date of change of ownership. Any base year appeal must be made within four years of the change of ownership or new construction date.

No assurance can be given that property tax appeals in the future will not materially reduce the District's property tax revenues.

COVID-19 Pandemic

The spread of COVID-19 has impacted governments, businesses and people in a manner that is having negative effects on global and local economies. There can be no assurances that the spread of COVID-19 and/or responses intended to slow the spread of COVID-19 such as declining business and travel activity, will not materially adversely impact the state and national economies and, accordingly, materially adversely impact the financial condition of the District's and its operating revenues. In addition, the District may experience increased personnel costs and/or reduced revenues due to the COVID-19 situation and the related impact on economic and other activity in and around the City.

As a recreation and park district, the District has been impacted by the ongoing COVID-19 pandemic. For example, various programs and activities once undertaken by the District within its facilities and parks were not able to be held, therefore resulting in lost revenue. This lost revenue was, to some extent, offset by reduced costs associated with fewer staff members needed to administer the programs. See “DISTRICT FINANCIAL INFORMATION – Recent General Fund Budgets/COVID-19.” In addition, property tax revenues and revenues from Special Tax 97-1 have not, to date, been adversely impacted by COVID-19. No assurance can be given that revenues of the District will not be materially adversely affected in the future from the ongoing pandemic.

Cybersecurity

The District, like many other public and private entities, relies on computer and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private or other electronic sensitive information, the District is potentially subject to multiple cyber threats including, but not limited to, hacking, viruses, ransomware, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized access to the District's systems for the purposes of misappropriating assets or information or causing operational disruption or damage.

The District has never had a major cyber breach that resulted in a financial loss, but no assurance can be given that the District's efforts to manage cyber threats and attacks will, in all cases, be successful or that any such attack will not materially impact the operations or finances of the District. The District is also reliant on other entities and service providers, such as the County for operation of the Teeter Plan or such as the Trustee in its role under the Indenture. No assurance can be given that the District may not be affected by cyber threats and attacks against other entities or service providers in a manner which may affect the Bondowners, e.g., systems related to the timeliness of payments to Bondowners or compliance with disclosure filings pursuant to the continuing disclosure certificate.

Proposition 218

See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS – Articles XIIIC and XIIID of the State Constitution," for information about certain risks to the District's general fund revenues under Articles XIIIC and Article XIIID of the California Constitution, which were initially implemented via an initiative measure known as "Proposition 218."

Geologic, Topographic and Climatic Conditions

General. The financial stability of the District could be materially adversely affected by a variety of factors, particularly those which may affect infrastructure and other public improvements and private improvements and the continued habitability and enjoyment of such private improvements. Such additional factors include, without limitation, geologic conditions (such as earthquakes), topographic conditions (such as earth movements and floods), climatic conditions (such as droughts and fires).

Building codes require that some of these factors be considered, to a limited extent, in the design of improvements. Design criteria in any of these circumstances are established upon the basis of a variety of considerations and may change, leaving previously-designed improvements unaffected by more stringent subsequently established criteria. In general, design criteria reflect a balance at the time of protection and the future costs of lack of protection, based in part upon a present perception of the probability that the condition will occur and the seriousness of the condition should it occur. Conditions may occur and may result in damage to improvements of varying seriousness, such that the damage may entail significant repair or replacement costs and that repair or replacement may never occur either because of the cost or because repair or replacement will not facilitate habitability or other use, or because other considerations preclude such repair or replacement. Under any of these circumstances, the actual value of public and private improvements within the District in general, may well depreciate or disappear, notwithstanding the establishment of design criteria for any such condition.

Seismic. The area encompassed by the District, like that in much of California, may be subject to unpredictable seismic activity. The District is located within a regional network of several active and potentially active known faults. Additionally, there may also be faults in the District that are not currently known. If there were to be an occurrence of severe seismic activity in the District, there could be an adverse impact on the District's ability to pay debt service on the Bonds.

Wildfire. In recent years, devastating wildfires have swept across many areas of the State, resulting in significant property damage and loss of life. Even areas not directly impacted by the wildfires have been adversely impacted by wildfire smoke and related air quality issues. No assurance can be given future wildfires will not materially adversely impact the District and its impact and its ability to pay the Bonds.

Drought. According to the California Department of Water Resources, California has experienced many droughts throughout its history, including most recently in the years 1976-77, 1987-1992, 2007-09, and 2012-2016 (although drought conditions may vary significantly throughout different parts of the State). In the most recent drought period, the State experienced significant drought conditions that resulted in severe impacts to California's water supplies and its ability to meet all the demands for water in the State. In May 2021, following the fourth driest winter on record, the Governor declared a new drought emergency in 41 of the State's 58 counties, including Solano County. No assurance can be given that drought conditions will not materially adversely impact the District's finances and its ability to pay the Bonds.

Hazardous Substances

Discovery of hazardous substances on parcels within the District beyond those utilized for everyday business-type activities (e.g., gas stations) could impact the District's ability to pay debt service with respect to the Bonds. In general, the owners and operators of a property may be required by federal or State law to remedy conditions of the property relating to releases or threatened releases of hazardous substances. Should any substantial amount of property within the District be affected by a hazardous substance, a reduction in the value of property in the District could reduce property tax revenues received by the District and deposited in the general fund, which could significantly and adversely affect the ability of the District to make payments on the Bonds.

Future Litigation

The District may be or become a party to litigation which has an impact on the District's general fund. While the District maintains certain insurance policies which provide coverage under certain circumstances and with respect to certain types of incidents, the District cannot predict what types of liabilities may arise in the future.

State Law Limitations on Appropriations

Article XIIIB of the California Constitution limits the amount that local governments can appropriate annually. The ability of the District to make debt service payments on the Bonds may be affected if the District should exceed its appropriations limit. The State may increase the appropriation limit of cities in the State by decreasing the State's own appropriation limit. The District does not anticipate exceeding its appropriations limit. See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS - Article XIIIB of the State Constitution" below.

Change in Law

No assurance can be given that the State or the District electorate will not at some future time adopt initiatives, or that the State Legislature will not enact legislation that will amend the laws of the State in a manner that could result in a reduction of the District's revenues and therefore a reduction of the funds legally available to the District to make debt service payments on the Bonds. See, for example, "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS – Article XIIIC and Article XIIID of the State Constitution."

Secondary Market

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that any Bonds can be sold for any particular price. Prices of bond issues for which a market is being made will depend upon then-prevailing circumstances. Such prices could be substantially different from the original purchase price.

No assurance can be given that the market price for the Bonds will not be affected by the introduction or enactment of any future legislation, or changes in interpretation of existing law.

TAX MATTERS

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, interest on the Bonds is exempt from State of California personal income taxes. Bond Counsel observes that interest on the Bonds is <u>not</u> excluded from gross income for federal income tax purposes. Bond Counsel expresses no opinion regarding any other tax consequences caused by the ownership or disposition of, or the accrual or receipt of interest on, the Bonds.

The proposed form of opinion of Bond Counsel with respect to the Bonds to be delivered on the date of issuance of the Bonds is set forth in APPENDIX C.

Owners of the Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may have federal or state tax consequences other than as described above. Other than as expressly described above, Bond Counsel expresses no opinion regarding other federal or state tax consequences arising with respect to the Bonds, the ownership, sale or disposition of the Bonds, or the amount, accrual or receipt of interest on the Bonds.

LEGAL MATTERS

Legal Opinions

Jones Hall, A Professional Law Corporation, San Francisco, California, ("**Bond Counsel**"), will render an opinion substantially in the form of APPENDIX C hereto with respect to the validity of the Bonds. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of the Official Statement. Jones Hall is also serving as Disclosure Counsel to the District. Certain legal matters will be passed on for the Underwriter by its counsel, and the District by the General Counsel to the District. Fees payable to Bond Counsel, Disclosure Counsel and Underwriter's counsel are contingent upon issuance of the Bonds.

No Validation Action Undertaken

No judicial validation action has been undertaken with respect to the Bonds. Article XVI, Section 18 of the California Constitution, sometimes referred to as the Constitutional Debt Limitation, does not apply to special districts such as the District and, accordingly, no validation action has been undertaken.

No Litigation

The District is not aware of any pending or threatened litigation concerning the validity of the Bonds or challenging any action taken by the District with respect to the Bonds. Furthermore, the District is not aware of any pending or threatened litigation to restrain, enjoin, question or otherwise affect the Indenture or in any way contesting or affecting the validity or enforceability of any of the foregoing or any proceedings of the District taken with respect to any of the foregoing.

CONTINUING DISCLOSURE

The District has covenanted for the benefit of owners of the Bonds to provide certain financial information and operating data relating to the District by not later than March 31 following the end of the District's fiscal year (presently June 30) commencing with its report for Fiscal Year 2020-21, which will be due March 31, 2022 (each, an "**Annual Report**"), and to provide notices of the occurrence of certain enumerated events. These covenants have been made in order to assist the Underwriter in complying with Securities Exchange Commission Rule 15c2-12(b)(5), as amended (the "**Rule**"). The specific nature of the information to be contained in the Annual Report or the notices of listed events by the District is contained in "APPENDIX D – Form of Continuing Disclosure Certificate."

The District has never previously been subject to continuing disclosure undertaking under the Rule. The District has engaged Willdan Financial Services, as its dissemination agent, to assist with the District's future compliance with its continuing disclosure undertaking.

RATING

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("**S&P**") has assigned its municipal bond rating of "AA" to the Bonds. This rating reflects only the views of S&P, and an explanation of the significance of the rating, and any outlook assigned to or associated with the rating, should be obtained from the S&P. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. The District has provided certain additional information and materials to S&P (some of which does not appear in this Official Statement). There is no assurance that this rating will continue for any given period of time or that the rating will not be revised downward or withdrawn entirely by S&P, if in the judgment of the rating agency, circumstances so warrant. Any such downward revision or withdrawal of any rating on the Bonds may have an adverse effect on the market price or marketability of the Bonds.

UNDERWRITING

Oppenheimer & Co. Inc., as underwriter (the "**Underwriter**") has agreed, subject to certain conditions, to purchase the Bonds from the District at a purchase price of $_____________ (being the principal amount of the Bonds, *less* an Underwriter's discount in the amount of $_____________. The obligations of the Underwriter are subject to certain conditions precedent, and the Underwriter will be obligated to purchase all such Bonds if any Bonds are purchased. The Underwriter intends to offer the Bonds to the public initially at the prices and/or yields set forth on the cover page of this Official Statement, which prices or yields may subsequently change without any requirement of prior notice.

The Underwriter reserves the right to join with dealers and other underwriters in offering the Bonds to the public. The Underwriter may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) at prices lower than the public offering prices, and such dealers may reallow any such discounts on sales to other dealers. In reoffering Bonds to the public, the Underwriter may over-allocate or effect transactions which stabilize or maintain the market prices for Bonds at levels above those which might otherwise prevail. Such stabilization, if commenced, may be discontinued at any time.

MUNICIPAL ADVISOR

PFM Financial Advisors, LLC, San Francisco, California (the "**Municipal Advisor**"), is acting as the District's municipal advisor in connection with the Bonds. The Municipal Advisor is a registered "municipal advisor" with the Securities Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement. The fees of the Municipal Advisor with respect to the Bonds are contingent upon their sale and delivery.

MISCELLANEOUS

All of the descriptions of applicable law, the Indenture, the District, and the agreements and other documents contained herein are made subject to the provisions of such documents respectively and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the District for further information in connection therewith.

This Official Statement does not constitute a contract with the purchasers of the Bonds. Any statements made in this Official Statement involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will realize.

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

LIVERMORE AREA RECREATION AND PARK DISTRICT

By:______________________________
General Manager

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APPENDIX A

AUDITED FINANCIAL STATEMENTS OF THE DISTRICT
FOR YEAR ENDED JUNE 30, 2020

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LIVERMORE AREA RECREATION AND PARK DISTRICT

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2020

JAMES MARTA & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

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LIVERMORE AREA RECREATION AND PARK DISTRICT

JUNE 30, 2020

BOARD OF DIRECTORS

Name	Office	Term Expires
Jan Palajac	Chair	2020
Philip Pierpoint	Vice Chair	2022
David Furst	Director	2022
Maryalice Summers Faltings	Director	2022
Beth Wilson	Director	2020

* * * *

General Manager
Mathew Fuzie

LIVERMORE AREA RECREATION AND PARK DISTRICT

JUNE 30, 2020

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James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Tax, and Consulting

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Livermore Area Recreation and Park District
Livermore, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the general fund and the aggregate remaining fund information of the Livermore Area Recreation and Park District (the "District"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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e-mail: dbecker@jpmcpa.com www.jpmcpa.com

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the general fund and the aggregate remaining fund information of the Livermore Area Recreation and Park District as of June 30, 2020, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund, Schedule of District's Proportionate Share of Net OPEB Liability, Schedule of Proportionate Share of Net Pension Liability, and Schedule of Pension 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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The Kidango Contract – Schedule of Revenues and Expenses is supplementary information presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information, which consists of the Kidango Contract – Schedule of Revenues and Expenses, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We have applied certain limited procedures to the supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2020 on our consideration of the 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.

James Marta & Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
December 1, 2020

MANAGEMENT’S DISCUSSION AND ANALYSIS

Livermore Area Recreation and Park District's annual financial report includes management's discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2020.

USING THIS ANNUAL REPORT

Management's Discussion and Analysis is meant to complement the Independent Auditor's Report. Together, these schedules and notes provide a view of the District's financial health and the results of its operations for the year-ended June 30, 2020.

FINANCIAL HIGHLIGHTS

- While the Auditor's report reflects the use of full accrual accounting, the District's regular budget and actual reporting to its Board is based on general fund accounting, though we isolate Capital Improvement Program (CIP) related income (AB1600 developer fees) and spending from on-going operations, as well as one-time funding from other sources, such as our on-bill-financing from PG&E, in our regular financial reviews. As such, the following bullet points outline the District's operating results for the year-ended June 30, 2020 with a focus on operating and tax revenues and expenses exclusive of CIP inflows and outflows:

    - The District's operating deficit for 2019-20 was $1,130,887 (excluding CIP related income and outlays), a result that fell below the Final Budget (reflecting mid-year Budget adjustments) by $2,047,402 (the Final Budget reflected an operating surplus of $916,515). The impact of the COVID-19 pandemic drove huge reductions in revenue from programs and services, and the District held off, initially, in reducing spending on salary and benefits until it became clear that the end of the pandemic was not near. Indeed, the District continued to pay staff, whose work had been shut down due to the virus, for their normally scheduled hours for approximately one month.
    - Operating revenue from services and property/parcel taxes was $20,172,592, or $3,197,159 (14%) below the Final FY19-20 Budget of $23,369,751. Revenue from programs and services of $7,360,573 was $3,034,945 (29%) below the Final Budget, while Tax revenues of $12,792,351 were $181,882 (1%) below the Final Budget.
    - Operating expense, including capital equipment but not CIP, was $21,303,479, or $1,149,757 (5%) below the Final Budget, as cost saving measures, including employee furloughs and non-labor spending reductions, were implemented in the last three months of the fiscal year.

- CIP spending in FY19-20 of $4,260,998 was significant, though down relative to last year, when spending levels reached historic levels ($11,294,130) driven by the on-going work on the Four Playgrounds (May Nissen, Big Trees, Pleasure Island, and Jane Addams), the RLCC Aquatics Pool Deck repair, and the Energy Efficiency Measures investment in the RLCC.

    - FY19-20 spending included $2,528,417 to complete the Four Playgrounds, $1,011,400 for the Sunset Park Playground renovation, and $205,256 to complete the May Nissen Pool renovation.

- o The FY19-20 Final CIP spending Budget was $5,575,234. The shortfall of actual spend vs the Final CIP Budget of $1,314,236 is largely associated with the following: 1) work did not commence on miscellaneous trails associated with an anticipated Grant from the City of Livermore ($600,000); 2) the Rodeo Stadium Infrastructure Improvement project ($195,450) was rescheduled in consideration of the pandemic; 3) a halt was placed on capital spending for the Barn ($200,000) as management considered alternative uses of the facility; and 4) actual spending was lower than budgeted for the last stages of the Four Playgrounds ($219,143).
- o AB1600 developer fee reimbursements to LARPD amounted to $3,960,703 for the year and were associated with the Four Playgrounds, Sunset, May Nissen Pool renovation, and several other budgeted projects.

FINANCIAL ANALYSIS OF THE DISTRICT

The financial statements and related notes contained herein are based upon full accrual accounting methods that are consistent with Generally Accepted Accounting Principles (GAAP).

- The Statement of Net Position outlines the difference between the District's assets and liabilities, and in doing so provides the basis for evaluating the capital structure of the District, its liquidity and financial flexibility.

- The Statement of Activities reflects all of the fiscal year's revenues, including those that are related to capital contributions (largely AB1600 developer fees), and expenses, including depreciation. This statement measures the success of the District's operations over the past year.

Condensed Statement of Net Position

	June 30, 2020	June 30, 2019	Amount Increase (Decrease)	Percent Increase (Decrease)
Current Assets	$ 9,742,851	$ 11,588,928	$ (1,846,077)	-16%
Capital Assets, Net	92,644,274	92,087,043	557,231	1%
Total Assets	102,387,125	103,675,971	(1,288,846)	-1%
Deferred Outflows of Resources	6,039,485	8,176,823	(2,137,338)	-26%
Current Liabilities	1,463,398	3,481,582	(2,018,184)	-58%
Long-Term Liabilities	16,444,905	17,398,556	(953,651)	-5%
Total Liabilities	17,908,303	20,880,138	(2,971,835)	-14%
Deferred Inflows of Resources	3,467,634	1,531,669	1,935,965	126%
Net Investment in Capital Assets	91,133,644	92,087,043	(953,399)	-1%
Restricted Net Position	1,911,397	329,234		
Unrestricted Net Position	(5,994,368)	(2,975,290)	(3,019,078)	101%
Total Net Position	$ 87,050,673	$ 89,440,987	$ (3,972,477)	-3%

The District added $1,576,310 in long-term liabilities in the form of financing from PG&E (10 years at 0% interest) to partially fund its recently completed Energy Efficiency Measures project at its Robert Livermore Community Center, of which $1,510,630 of principal remained on the books as of June 30, 2020. The remainder of its long-term liabilities is associated with $737,394 of compensated balances (vacation and compensated time), and the Alameda County Employees' Retirement Association's (ACERA) pension and other post-employment benefits (OPEB), which amount to $13,701,573 and $495,308 respectively.

Of note is that the District's pension and OPEB liabilities are actually down from last year, when they reached $15,804,862 and $950,150 respectively. As noted last year, aside from the primary driver of the spike in these liabilities, the lower than expected investment performance, another factor influencing the increased level of retirement liabilities was a change made, effective in FY18-19, to isolate LARPD from the rest of the ACERA pool due to the declining active payroll in relation to the District's retiree population for its Tier 1 ACERA participants, which drove up the District's share of the overall net Pension liability as well as its contribution rates.

The District's current liabilities consist of $774,621 in accounts payable (way down from prior year, when significant CIP-related project work remained in progress at year end), $379,282 in accrued salaries and wages (associated with the last pay period of the year, which is not paid until the first month of the following fiscal year), $128,834 in miscellaneous accrued liabilities (security deposits, workers compensation, etc.), and $180,661 in deferred revenue (receipts for events that will occur in the following fiscal year).

Condensed Statement of Activities

	June 30, 2020	June 30, 2019	Amount Increase (Decrease)	Percent Increase (Decrease)
Program Revenues:				
Charges for services	$ 5,853,718	$ 9,014,685	$ (3,160,967)	-35%
Operating grants and contributions	1,506,855	1,535,994	(29,139)	-2%
Capital granst and contributions	3,987,682	8,955,696	(4,968,014)	-55%
Total program revenues	11,348,255	19,506,375	(8,158,120)	-42%
General Revnues:				
Property taxes	12,792,351	12,021,860	770,491	6%
Miscellaneous	19,668	-	19,668	100%
Total general revenues	12,812,019	12,021,860	790,159	7%
Total Revenues	24,160,274	31,528,235	(3,190,106)	-23%
Program expenses:				
Parks and recreation	26,550,588	25,763,400	787,188	0%
Change in Net Position	(2,390,314)	5,764,835	(8,155,149)	-141%
Net Position, Beginning	89,440,987	83,676,152	5,764,835	7%
Net Position, Ending	$ 87,050,673	$ 89,440,987	$ (2,390,314)	-3%

Total District Revenues, including capital contributions, which is primarily associated with AB-1600 developer fees, are down 42% vs the previous year, as a result of the significant decrease in CIP project activity in the current period and AB1600 related funding of it (down $4,968,014 versus last year) and the aforementioned impact of the COVID-19 pandemic on charges for services (down $3,160,967 versus last year).

- Operating Revenues from Property and Parcel Taxes reached $12,792,351, an increase of $770,491, or 6% versus prior year. Property Taxes amounted to $11,181,216, up $733,852, or 7%, versus prior year. Parcel taxes grew to $1,611,135, and were up $36,639, or 2%, above the previous year, which is in line with the District's annual 2% maximum increase in its charge per equivalent dwelling unit (EDU).
- Charges for Programs/Services, excluding Grants (which are all associated with the Community Services department), were dramatically impacted by the COVID-19 pandemic, and at $5,853,718 were down $3,160,967, or 35%, versus prior year. Revenues in Community Services, excluding Grants, were $4,044,738, which is $1,586,275, or 28%, below the previous year. At $1,368,532, Recreation department revenues were down $1,441,199, or 51%, versus prior year, as revenues for facility rentals and all recreation programs were down across the board. Finally, the annualization of last year's mid-year discontinuation of the District's agreement with Zone 7 for weed abatement drove a $95,563 reduction in Park Operations revenue versus prior year.
- Operating Contributions and Grants, largely associated with the District's Youth Services programs but which also includes a $200,000 open space grant from the East Bay Regional Park District, remained relatively constant at $1,506,855.
- In terms of absolute dollar change, the most significant change in year-over-year revenues came from Capital Contributions and Grants, which largely represents the AB1600 (developer fees) funds used to finance the majority of CIP project activity for projects that increase park resource capacity. At $3,987,682, these funds declined by $4,968,014 versus prior year, a reflection of the spike in AB1600-funded CIP activity in the prior year. Note that these funds are recorded as received and are not dependent upon the completion of CIP projects.

Total District Expenses, based on full accrual accounting (e.g., including depreciation expense as opposed to one-time capital outlays and entries related to Net Pension and OPEB expense) were $26,550,588 or $787,188 (3%) higher than the previous year. This increase is driven largely by the impact of changes in net capital (additions less deletions) and depreciation versus prior year, and a one-time write-off of spend on projects that are no longer viable.

- Salaries & Benefits expenses totaled $14,949,221, up $213,353, or 1%, versus the previous year, as reductions in spending in response to the pandemic nearly offset the impact of cost of living and step increases to salaries that had gone into effect in July, 2019, and ACERA contribution rate increases.
- As reported above, Services and Supply expenses amounted to $6,317,130, up $106,317, or 2%, versus the previous year, but the District actually reduced its core services and supply spend materially during the year. What is driving the year-over year increase is an extraordinary write off of $257,737 for professional services outlays that had been treated as works in progress on the balance sheet for capital projects that are no longer viable, including the RLCC Security and Alarm System, Barn Renovation, Robert Livermore little league field design, Bill Payne Master Plan. As well, the District added $146,046 in vehicle lease expense in the current period with the onset of a program with Enterprise Fleet Management that greatly reduced the capital spend associated the replacement of aging vehicles).

CAPITAL ASSETS

As of June 30, 2020, the District had $156,782,447 invested in capital assets, a modest increase versus prior year, as capital additions were largely offset by increases in accumulated depreciation. The following table illustrates changes from the prior year:

	June 30, 2020	June 30, 2019	Amount Increase (Decrease)	Percent Increase (Decrease)
Land	$ 52,817,819	$ 52,817,819	$ -	0%
Construction in Progress	1,695,837	8,717,559	(7,021,722)	-81%
Depreciable Assets	102,358,791	91,193,748	11,165,043	12%
Capital Asset at Cost	156,872,447	152,729,126	4,143,321	3%
Less Accumulated Depreciation	(64,228,173)	(60,642,083)	3,586,090	6%
Capital Assets, Net	$ 92,644,274	$ 92,087,043	$ 557,231	1%

- At $1,695,837, Construction in Progress is significantly below the prior year, reflecting the fact that major projects that had been in progress as of June 30, 2019 were completed in the current period (Jane Addams, Big Trees, Pleasure Island, and May Nissen). What remained in progress as of the current year end includes Sunset Park ($1,209,885), Joe Michell ESS buildings ($37,148), Rodeo Stadium Infrastructure improvements ($44,851), and the Patterson Ranch Trail ($72,505).

- Buildings increased by $3,558,009, which includes the completed Energy Efficiency Measures project at the RLCC ($2,583,330), the May Nissen Pool Renovaton ($214,894), and the Ravenswood Upgrade (roofs and porches, totaling $759,785).

- Park Improvements increased by $7,567,906, which includes Jane Addams playground ($703,329), Big Trees playground ($1,374,766), May Nissen playground ($4,218,391), Pleasure Island playground ($1,217,277) and the District's portion of the Arroyo Del Valle Trail Bridge extension ($54,143).

- Capital Equipment additions totaled $39,128 which consisted of the RLCC WiFi Upgrade project and the RLCC firewall upgrade project.

BUDGETARY PROCESS

In its commitment to fiscal responsibility, the District adopts an annual operating budget that reflects an activity-based budgeting approach that is applied to all elements of the District's operating plan for the upcoming fiscal year, and a three-year Capital Improvement Program (CIP) for capital projects that are prioritized by the District's Board of Directors. At mid-year, the District revisits both its Operating and CIP budgets to reflect updated information and modifications to plans relative to what had been reflected in the original budgets that were created prior to the onset of the fiscal year.

REQUESTS FOR FINANCIAL INFORMATION

This financial report provides the public and business associates with a general overview of District finances and demonstrates the District's fiscal accountability for the money it receives. If you have any questions about this report, or need additional financial information, please contact the Administrative Services Manager:

Jeffrey Schneider, Administrative Services Manager
Livermore Area Recreation & Park District
4444 East Avenue
Livermore, CA 94550
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BASIC FINANCIAL STATEMENTS

LIVERMORE AREA RECREATION AND PARK DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2020

	Governmental Activities
ASSETS	
Cash and investments (Note 2)	
Available for operations	$ 6,739,484
Petty cash	6,210
Available for restricted programs	1,911,397
Accounts receivable	987,851
Prepaid expenses	97,909
Capital assets, net of accumulated depreciation (Note 3)	92,644,274
Total Assets	102,387,125
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions (Note 5)	5,802,870
Deferred outflows related to OPEB (Note 6)	236,615
Total Deferred Outflows of Resources	6,039,485
LIABILITIES	
Accounts payable	774,621
Accrued salaries and wages	379,282
Accrued liabilities	128,834
Unearned revenue	180,661
Long-term liabilities:	
Due within one year	91,951
Due in more than one year	16,352,954
Total Liabilities	17,908,303
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions (Note 5)	2,824,933
Deferred inflows related to OPEB (Note 6)	642,701
Total Deferred Inflows of Resources	3,467,634
NET POSITION	
Net investment in capital assets	91,133,644
Restricted	1,911,397
Unrestricted	(5,994,368)
Total Net Position	$ 87,050,673

LIVERMORE AREA RECREATION AND PARK DISTRICT

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

		Program Revenues			Net (Expense) Revenue and Change in Net Position
Functions/Programs	**Expenses**	**Charges For Services**	**Operating Contributions and Grants**	**Capital Contributions and Grants**	**Governmental Activities**
Governmental activities:					
Parks and Recreation	$ 26,550,588	$ 5,853,718	$ 1,506,855	$ 3,987,682	$ (15,202,333)
		General revenues:			
		Property taxes			12,792,351
		Miscellaneous			19,668
		Total general revenues			12,812,019
		Change in net position			(2,390,314)
		Net position - July 1, 2019			89,440,987
		Net position - June 30, 2020			$ 87,050,673

The accompanying notes are an integral part of these financial statements.

LIVERMORE AREA RECREATION AND PARK DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2020

		General Fund
ASSETS		
Cash and investments (Note 2)		
Available for operations	$	6,739,484
Petty cash		6,210
Available for restricted programs		1,911,397
Accounts receivable		987,851
Prepaid expenses		97,909
Total Assets	$	9,742,851
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	$	774,621
Accrued salaries and wages		379,282
Accrued liabilities		128,834
Unearned revenue		180,661
Total Liabilities		1,463,398
Fund Balances (Note 8):		
Nonspendable		97,909
Restricted		1,911,397
Unassigned		6,270,147
Total Fund Balance		8,279,453
Total Liabilities and Fund Balance	$	9,742,851

The accompanying notes are an integral part of these financial statements.

LIVERMORE AREA RECREATION & PARK DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

FOR THE YEAR ENDED JUNE 30, 2020

Total fund balances - governmental funds		$ 8,279,453
Amounts reported for assets and liabilities for governmental activities in the statement of net position are different from amounts reported in governmental funds because:		
Deferred outflows and inflows of resources relating to pensions: In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pension are reported.		
Deferred outflows of resources relating to pensions		5,802,870
Deferred inflows of resources relating to pensions		(2,824,933)
Deferred outflows and inflows of resources relating to OPEB: In governmental funds, deferred outflows and inflows of resources relating to OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to OPEB are reported.		
Deferred outflows of resources relating to OPEB		236,615
Deferred inflows of resources relating to OPEB		(642,701)
Capital Assets: In governmental funds only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation.		
Capital assets at historical cost	156,872,447	
Accumulated depreciation	(64,228,173)	
Capital assets, net		92,644,274
Long-term liabilities: In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:		
PG&E on-bill financing		(1,510,630)
Net pension liability		(13,701,573)
Net OPEB liability		(495,308)
Compensated absences		(737,394)
Total net position - governmental activities		$ 87,050,673

LIVERMORE AREA RECREATION AND PARK DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	General Fund
REVENUES	
Taxes	$ 12,792,351
Earned income	7,360,573
Capital development	3,987,682
Other revenues	19,668
Total revenues	24,160,274
EXPENDITURES	
Salaries and employee benefits	14,947,221
Services and supplies	407,837
Maintenance	1,080,901
Utilities	1,679,126
Professional service	1,260,251
Communications	144,892
Transportation	96,958
Training & Conferences	13,463
District legal expense	132,000
Program services and supplies	125,076
Insurance	403,470
Instructor and sports officials	230,261
Rents and leases	456,414
Debt service	65,680
Field Trips & Events	89,288
Finance Charge and Interest	74,497
Licensing	19,947
Publications and Legal	3,179
Memberships	33,774
Miscellaneous	116
Total operating expenditures	21,264,351
Capital outlay	4,300,126
Total expenditures	25,564,477
Excess of revenues over expenditures	(1,404,203)
OTHER FINANCING SOURCES/(USES)	
Proceeds from PG&E On-Bill Financing	1,576,310
Total other financing sources	1,576,310
Net change in fund balance	172,107
Fund balance - July 1, 2019	8,107,346
Fund balance - June 30, 2020	$ 8,279,453

LIVERMORE AREA RECREATION AND PARK DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Net change in fund balances		$ 172,107
Amounts reported for governmental activities in the Statement of Activities are different because of the following:		
Acquisitions of capital assets are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital outlay	$ 4,143,321	
Depreciation expense	(3,586,090)	557,231
Compensated absences: In governmental funds, compensated absences are measured by the amounts paid during the period. In the statement of activities, compensated absences are measured by the amounts earned. The difference between compensated absences paid and earned was:		(93,850)
Debt proceeds: In governmental funds, proceeds from debt are recognized as Other Financing Sources. In the government-wide statements, proceeds from debt are reported as increases to liabilities. Amount recognized in governmental funds as proceeds from debt was:		(1,576,310)
Debt service: In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were:		65,680
Pensions: In government funds, pension costs are recognized when employer contributions are made in the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was:		(1,444,160)
OPEB: In government funds, OPEB costs are recognized when employer contributions are made in the statement of activities, OPEB costs are recognized on the accrual basis. This year, the difference between accrual-basis OPEB costs and actual employer contributions was:		(71,012)
Change in net position of governmental activities		$ (2,390,314)

The accompanying notes are an integral part of these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ORGANIZATION

The Livermore Area Recreation and Park District was organized in 1947 to provide parks and recreation for the incorporated and unincorporated areas of Livermore, California. An elected five-member Board of Directors who is served by a full-time General Manager and staff governs the District.

The financial statements of the Livermore Area Recreation and Park District are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The District's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

B. BASIS OF PRESENTATION

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the District. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities.

The government-wide statement of net position presents information on all of the District’s assets, deferred outflow of resources and liabilities and deferred inflow of resources, with the difference between the two presented as net position. Net position is reported as one of three categories: net investment in capital asset; restricted or unrestricted.

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

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is specifically identified by function and is included in the direct expense function.

Fund Financial Statements

Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major governmental fund is presented in a separate column.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements are met. Expenses are recorded when liabilities are incurred.

Governmental Fund Financial Statements

Governmental fund financial statements (i.e. balance sheet and statement of revenues, expenditures and changes in fund balances) are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Available" means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, "available" means collectible within the current period or within 120 days after year-end.

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

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

D. FUND ACCOUNTING

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

D. FUND ACCOUNTING (CONTINUED)

Governmental Fund:

General Fund is the general operating fund of the District. It is used to account for all transactions except those required or permitted by law to be accounted for in another fund.

E. CASH AND CASH EQUIVALENTS

For purposes of the statement of net position/balance sheet, the District considers all short-term highly liquid investments, including restricted assets, and amounts held with the fiscal agent to be cash and cash equivalents. Amounts held with the fiscal agent and investments held are available on demand to the District.

F. CAPITAL ASSETS

Capital assets, which can include property, facilities and equipment, are capitalized at total acquisition cost, provided such cost exceeds $5,000 and the expected useful life of the asset is more than one year. Depreciation is recorded on all depreciable capital assets on a straight-line basis over the following estimated useful lives:

Asset	Years
Buildings	30
Machines and Equipment	10
Parks and Recreation Areas	10
Vehicles	5

G. ACCOUNTS RECEIVABLE

The District's receivables include amounts due from other governmental agencies and consists mostly of AB 1600 development impact fees held by the City of Livermore. Management has determined that the District's receivables are fully collectible. Accordingly, no allowance for doubtful accounts has been made.

H. COMPENSATED ABSENCES

District employees are entitled to certain compensated absences based on the length of their employment, which will be paid to them upon separation from the District. Compensated absences accumulate and are accrued when they are earned and reported as a liability in the government-wide financial statements. The balance at June 30, 2020 was $737,394.

I. FUND BALANCE

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 54, *"Fund Balance Reporting and Governmental Fund Type Definitions"*, the District is required to report fund balances in the following categories: Nonspendable, Restricted, Committed, Assigned and/or Unassigned.

Nonspendable Fund Balance reflects assets not in spendable form, either because they will never convert to cash (prepaid expense) or must remain intact pursuant to legal or contractual requirements.

Restricted Fund Balance reflects amounts that can be spent only for the *specific purposes* stipulated by constitution, external resource providers, or through enabling legislation.

Committed Fund Balance reflects amounts that can be used only for the *specific purposes* determined by a formal action of the government's highest level of decision-making authority: the Board of Directors. Commitments may be established, modified, or rescinded only through resolutions approved by the Board of Directors.

Assigned Fund Balance reflects amounts intended to be used by the government for *specific purposes* but do not meet the criteria to be classified as restricted or committed. Under the District's adopted policy, only the Board of Directors is authorized to assign amounts for specific purposes.

Unassigned Fund Balance represents the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

When expenditures are incurred for purposes of which restricted, committed, assigned and unassigned fund balances are available, the District considers restricted funds to have been spent first, followed by committed, assigned and unassigned, respectively. See Note 8 for schedule of fund balances.

J. RESTRICTED NET POSITION

The government-wide statement of net position reports restricted net position at June 30, 2020 as $1,911,397, which is restricted by the funding source for the programs indicated.

K. PROPERTY TAXES

The District's property taxes are levied each calendar year on all taxable real property located in the District. Property taxes are recorded on an accrual basis of accounting. The County Assessor is responsible for assessment of all taxable real property within Alameda County. The County Clerk computes the annual tax for each parcel of real property and prepares tax books used by the County Collector as the basis for issuing tax bills to all taxpayers in the County. Property taxes are collected by the County Collector and are submitted to the County Treasurer, who remits to each unit its respective share of the collections. Taxes levied in one year become due and payable in two installments during the following year generally on November 1st and February 1st. The first installment is an estimated bill, and is approximately one-half of the prior year's tax bill. The second installment is based on the current levy, assessment, equalization, and certificate to limit levy, if any and any changes from the prior year will be reflected in the second installment bill.

L. USE OF ESTIMATES

The financial statements have been prepared in conformity with generally accepted accounting principles and, as such, include amounts based on management's informed estimates and judgments, with consideration given to materiality. Actual results could differ from those amounts.

M. RECLASSIFICATIONS

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements

N. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the District carries insurance as described in Note 9.

O. INCOME TAXES

The District is a governmental entity and as such its income is exempt from taxation under Section 115(1) of the Internal Revenue Code and Section 23701d of the California and Taxation Code. Accordingly, no provision for federal or state income taxes has been made in the accompanying financial statements.

P. PENSIONS

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the net position of the Livermore Area Recreation and Park District's Alameda County Employees' Retirement Association (ACERA) plans and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by ACERA. 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.

Q. POSTEMPLOYMENT BENEFITS

For purposes of measuring the District's OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's OPEB Plan (OPEB Plan) and additions to/deductions from the District's fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

R. DEFERRED INFLOWS AND OUTFLOWS

In addition to assets, the balance sheet reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of resources that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then. Consequently, deferred inflows of resources represent an acquisition of resources that applies to future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

Contributions made to the District's pension and OPEB plans after the measurement date but before the fiscal year end are recorded as a deferred outflow of resources and will reduce the net pension and OPEB liabilities in the next year.

Additional factors involved in the calculation of the District's pension and OPEB expenses and net pension and OPEB liabilities include the differences between expected and actual experience, changes in assumptions, differences between projected and actual investment earnings, changes in proportion, and differences between the District's contributions and proportionate share of contributions. These factors are recorded as deferred outflows and inflows of resources and amortized over various periods.

As of June 30, 2020, the District had deferred outflows of $6,039,485 and deferred inflows of $3,467,634.

2. CASH AND INVESTMENTS

The District maintains commercial bank accounts and accounts with the Alameda County Treasurer.

The District's cash balances at June 30, 2020:

Alameda County Treasurer - General	$	3,685,014
US Bank - General Account		4,967,829
US Bank - Merchant Card Account		(1,962)
Petty Cash		6,210
Total Cash and Cash Equivalents	$	8,657,091

Cash and investments are presented in three categories on the statement of net position at June 30, 2020:

Cash and investments		
Available for operations	$	6,739,484
Petty cash		6,210
Available for restricted programs		1,911,397
Total Cash and investments	$	8,657,091

Pooled Funds

The District maintains substantially all of its cash in the Alameda County Treasury. The County pools and invests the cash. These pooled funds are carried at cost which approximates fair value. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

Because the deposits are maintained in a recognized pooled investment fund under the care of a third party and the share of the pool does not consist of specific, identifiable investment securities owned by the District, no disclosure of the individual deposits and investments or related custodial risk classifications is required.

In accordance with applicable State laws, the Alameda County Treasurer may invest in derivative securities. However, at June 30, 2020, the Alameda County Treasurer has represented that the Treasurer's pooled investment fund contained no derivatives or other investments with similar risk profiles.

Deposits - Custodial Credit Risk

The carrying amount of the District's accounts with US Bank at June 30, 2020 was $4,965,867 and the bank balance was $5,187,862. Deposits held in banks are insured up to $250,000 by the Federal Depository Insurance Corporation. Should deposits exceed the insured limits, the balance is covered by collateral held by the bank in accordance with California law requiring the depository bank to hold collateral equal to 110% of the excess government funds on deposit. This collateral must be in the form of government-backed securities. All cash held by financial institutions at June 30, 2020 was fully insured or collateralized.

3. PROPERTY AND EQUIPMENT

Capital assets activity for the year ended June 30, 2020, was as follows:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Capital Assets, not being depreciated:				
Land	$ 52,817,819	$ -	$ -	$ 52,817,819
Construction in progress	8,717,559	4,300,126	11,321,848	1,695,837
Total	61,535,378	4,300,126	11,321,848	54,513,656
Capital assets, being depreciated:				
Buildings	43,096,289	3,558,009	-	46,654,298
Park Improvements	44,237,607	7,567,906	-	51,805,513
Equipment	3,859,852	39,128	-	3,898,980
Total	91,193,748	11,165,043	-	102,358,791
Accumulated Depreciation				
Buildings	24,349,217	1,531,667	-	25,880,884
Park Improvements	33,669,062	1,601,818	-	35,270,880
Equipment	2,623,804	452,605	-	3,076,409
Total	60,642,083	3,586,090	-	64,228,173
Net Capital Assets being depreciated	30,551,665	7,578,953	-	38,130,618
Capital Assets, net	$ 92,087,043	$ 11,879,079	$ 11,321,848	$ 92,644,274

Depreciation expense of $3,586,090 was all charged to the Parks and Recreation function.

4. LONG- TERM LIABILITIES

Changes in Long-Term Liabilities

A schedule of changes in long-term liabilities for the year ended June 30, 2020 is as follows:

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020	Due Within One Year
Net Pension Liability	$15,804,862	$ -	$ 2,103,289	$13,701,573	$ -
Net OPEB Liability	950,150	-	454,842	495,308	-
PG&E On-Bill Financing	-	1,576,310	65,680	1,510,630	91,951
Compensated Absences	643,544	93,850	-	737,394	-
Total	$17,398,556	$ 1,670,160	$ 2,623,811	$16,444,905	$ 91,951

Net Pension Liability

Net pension liability is accrued in accordance with the provisions of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*. Employee Retirement Systems and the related pension liabilities are discussed further in Note 5 to the basic financial statements.

Net OPEB Liability

Net OPEB liability is accrued in accordance with the provisions of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. Other postemployment benefit plan and the related OPEB liability are discussed further in Note 6 to the basic financial statements.

PG&E On-Bill Financing

The District received an interest-free loan through PG&E in the amount of $1,576,310 to finance an energy-efficient retrofit project. The loan calls for monthly payments of $13,135.92 for 120 months beginning in January 2020. In May 2020, the District received a 6-month loan deferral until December 2020. Future loan payments are as follows:

Year Ended June 30:	**Payments**
2021	$ 91,951
2022	157,631
2023	157,631
2024	157,631
2025	157,631
2026-2030	788,154
Totals	$ 1,510,630

4. LONG- TERM LIABILITIES (CONTINUED)

Operating leases

The District has entered into various operating leases that extend beyond the current fiscal year. Lease expenses incurred for the year ended June 30, 2020 were $105,334. Future minimum lease payments under these agreements are as follows:

Year Ended June 30	Lease Payments
2021	$ 58,091
2022	52,058
2023	5,638
2024	5,638
2025	5,638
2026-2030	28,190
2031-2035	2,819
Total	158,072
*Less Lease Buyout	(2,138)
Net Total	$ 155,934

*Per terms of lease agreement with Shamrock Office Solutions, $111,000 was received by the District to be used for the payoff of lease agreement with De Lage Landen existing contract. As of June 30, 2020, the remaining amount held was $2,138.

5. EMPLOYEE RETIREMENT SYSTEM

Plan Description

Plan Administration

The District contributes to the Alameda County Employees' Retirement Association (the system), a cost-sharing multiple employer, defined benefit, public employee retirement system. The system provides service retirement, disability, death, and survivor benefits to plan members and beneficiaries. The County of Alameda administers the Plan under provisions of the County Employees Retirement Law of 1937. Alameda County Employees' Retirement Association issues a separate comprehensive annual financial report. Copies of the annual financial report may be obtained by visiting their website at www.acera.org.

Benefits Provided

Membership for employees is effective on the first day of employee’s hire in an ACERA covered position. The first date of employment is the date of entry into ACERA membership. As of this date of entry, payroll deductions for retirement contributions begin and service credit for each hour of work is earned.

5. EMPLOYEE RETIREMENT SYSTEM (CONTINUED)

Any new member who becomes a member on or after January 1, 2013 is placed into Tier 4 and is subject to the provisions of California Public Employees' Pension Reform Act of 2013 (PEPRA), California Government Code 7522 et seq. and Assembly Bill (AB) 197.

General members enrolled in Tiers 1 or 3 are eligible to retire once they attain the age of 70 regardless of service or at age 50 with five or more years of retirement service credit and a total of 10 years of qualifying membership. A non-Tier 4 General member with 30 years of service is eligible to retire regardless of age. General members enrolled in Tier 4 are eligible to retire once they have attained the age of 52 and have acquired five years of retirement service credit, or at age 70 regardless of service.

The retirement benefit the member will receive is based upon age at retirement, final average compensation, years of retirement service credit and retirement plan and tier.

The Plans' provisions and benefits in effect at June 30, 2020, are summarized as follows:

	ACERA		
General Tier	**1**	**3**	**4**
Hire date	Various	On or after October 1, 2008	On or after January 1, 2013
Benefit formula	2% @ 57	2.5% @ 55	2.5% @ 67
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	57	55	67
Monthly benefits, as a % of eligible compensation	varies	varies	varies
Required employee contribution rates	7.86% - 16.28%	9.24% - 17.35%	8.80%
Required employer contribution rates	33.62%	38.41%	32.14%

Contributions

Livermore Area Recreation and Park District contributes to the retirement plan based upon actuarially determined contribution rates adopted by the Board of Retirement. Employer contribution rates are adopted annually based upon recommendations received from ACERA's actuary after the completion of the annual actuarial valuation. Members are required to make contributions to ACERA regardless of the retirement plan or tier in which they are included.

For the year ended June 30, 2020 and 2019, employer contributions by the District to ACERA were $1,306,574 and $1,100,236, respectively.

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

As of June 30, 2020, the District reported net pension liabilities for its proportionate share of the net pension liability of $13,701,573.

5. EMPLOYEE RETIREMENT SYSTEM (CONTINUED)

Livermore Area Recreation and Park District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of December 31, 2019, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018 rolled forward to December 31, 2019. Livermore Area Recreation and Park 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 participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2020 and 2019 is shown below:

	ACERA
Proportion - June 30, 2020	0.640%
Proportion - June 30, 2019	0.572%
Change	0.068%

For the year ended June 30, 2020, the District recognized pension expense of $1,444,160. At June 30, 2020, the District deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	ACERA	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 749,916	$ -
Changes in proportion and differences between employer's contributions and proportionate share of contributions	34,430	88,639
Changes of assumptions or other inputs	934,042	118,194
Net excess of actual over projected earnings on pension plan investments	-	2,128,324
Difference between expected and actual experience in the Total Pension Liability	4,084,482	489,776
Total	$ 5,802,870	$ 2,824,933

5. EMPLOYEE RETIREMENT SYSTEM (CONTINUED)

The amounts reported as deferred outflows of resources related to contributions subsequent to the measurement date of December 31, 2019 will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Deferred Outflows/(Inflows) of Resources
2021	$ 454,777
2022	631,897
2023	1,236,861
2024	(204,093)
2025	108,579
Thereafter	-

Actuarial Assumptions

Actuarial Assumptions – The total pension liabilities in the June 30, 2020 actuarial valuations were determined using the following actuarial assumptions:

	ACERA
Valuation Date	December 31, 2018
Measurement Date	December 31, 2019
Actuarial Cost Method	Entry Age Actuarial Cost Method
Actuarial Assumptions	
Discount Rate	7.25%
Inflation	3.00%
Payroll Growth Rate	3.50%
Projected Salary Increase	General: 8.30% to 3.90% vary by service, including inflation
Investment Rate of Return (1)	7.25%
Mortality	Headcount-Weighted RP-2014 (RPH-2014) Healthy Annuitant Mortality Tables, projected generationally with the two-dimensional MP-2016 projection scale

(1) Net of pension plan investment expense, including inflation

5. EMPLOYEE RETIREMENT SYSTEM (CONTINUED)

Discount Rate

The discount rate used to measure the Total Pension Liability was 7.25% as of December 31, 2019 and December 31, 2018. In order to reflect the provisions of Article 5.5 of the Statute, future allocations of 50% excess earnings to the Supplemental Retiree Benefits Reserve (SRBR) have been treated as an additional outflow against the plan's FNP in the Governmental Accounting Standards Board (GASB) crossover test. It is estimated that the additional outflow would average approximately 0.60% of assets over time, based on the results of the actuary's stochastic modeling of the 50% allocation of future excess earnings to the SRBR.

The projection of cash flows used to determine the discount rates assumes plan member contributions will be made at the current member contribution rates, and that employer contributions will be made at rates equal to the actuarially determined contributions rates plus additional future contributions that would follow from the future allocation of excess earnings to the SRBR. Projected employer contributions that are intended to fund the service cost for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plan's FNP was projected to be available to make all projected future benefit payments for the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability as of December 31, 2019 and 2018.

The long-term expected rate of return on pension plan investments was determined in 2017 using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation (approved by the Board) and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses are shown in the following table. This information was used in the derivation of the long-term expected investment rate of return assumption for the December 31, 2019 actuarial valuation. This information will be subject to change every three years based on the results of an actuarial experience study.

5. EMPLOYEE RETIREMENT SYSTEM (CONTINUED)

Asset Class	Target Allocation	Long- Term (Arithmetic) Expected Real Rate of Return
Domestic Large Cap Equity	22.40%	5.75%
Domestic Small Cap Equity	5.60%	6.37%
Developed International Equity	19.50%	6.89%
Emerging Markets Equity	6.50%	9.54%
U.S. Core Fixed Income	11.25%	1.03%
High Yield Bonds	1.50%	3.99%
International Bonds	2.25%	0.19%
TIPS	2.00%	0.98%
Real Estate	8.00%	4.47%
Commodities	3.00%	3.78%
Hedge Funds	9.00%	4.30%
Private Equity	9.00%	7.60%
	100.0%	

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

The following presents the District's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate.

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Plan's Net Pension Liability	$ 21,803,613	$ 13,701,573	$ 7,811,014

Pension Plan Fiduciary Net Position

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

Payable to the Pension Plan

At June 30, 2020, the District had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2020.

6. OTHER POSTEMPLOYMENT BENEFITS

General Information about the OPEB Plan

Plan administration. The Alameda County Employees' Retirement Association (ACERA) was established by the Alameda County Board of Supervisors in 1947. ACERA is administered by the Board of Retirement and governed by the County Employees' Retirement Law of 1937 (California Government Code Section 31450 et. seq.). ACERA is a cost-sharing, multiple employer, defined benefit, public employee retirement system whose main function is to provide retirement benefits to the employee members of the District.

The management of ACERA is vested with the ACERA Board of Retirement. The Board consists of nine members and two alternates. The County Treasurer is a member of the Board of Retirement by law and is elected by the general public. Four members are appointed by the Board of Supervisors, one of whom may be a County Supervisor. Two active members are elected by the General members; one active member and one alternate are elected by the Safety members; one retired member and one alternate are elected by the retired members. All members of the Board of Retirement serve terms of three years except for the County Treasurer whose term runs concurrent with his term as County Treasurer.

Benefits provided. ACERA provides benefits to eligible employees.

Membership Eligibility
Service Retirees. Retired with at least 10 years of service (including deferred vested members who terminate employment and receive a retirement benefit from ACERA).

Disabled Retirees. A minimum of 10 years of service is required for non-duty disability. There is no minimum service requirement for duty disability.

Benefit Eligibility
Monthly Medical Allowance
Service Retirees. For retirees not purchasing individual insurance through the Individual Medicare Insurance Exchange, a Maximum Monthly Medical Allowance of $558.00 per month was provided, effective January 1, 2019 and through December 31, 2019. For the period January 1, 2020 through December 31, 2020, the maximum allowance is $578.65 per month. For those purchasing insurance through the Individual Medicare Exchange, the Maximum Monthly Medical Allowance was $427.46 per month for 2019 and is $443.28 for 2020. These Allowances are subject to the following subsidy schedule:

Completed Years of Service	Percentage Subsidized
10-14	50%
15-19	75%
20+	100%

6. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Disabled Retirees. Non-duty disabled retirees receive the same Monthly Medical Allowance as service retirees. Duty disabled retirees receive the same Monthly Medical Allowance as those service retirees with 20 or more years of service.

Medicare Benefit Reimbursement Plan

The SRBR reimburses the full Medicare Part B premium to qualified retired members. To qualify for reimbursement, a retiree must:

- Have at least 10 years of ACERA service,
- Be eligible for Monthly Medical Allowance,
- Provide proof of enrollment in Medicare Part B.

Dental and Vision Plans

The SRBR provides dental and vision benefits for retirees only. The maximum combined monthly dental and vision premium was $48.39 in 2019 and is $46.28 in 2020. The eligibility for these premiums is as follows:

Service Retirees	Retired with at least 10 years of service.
Disabled Retirees	For non-duty disabled retirees, 10 years of service is required. For grandfathered non-duty disabled retirees (with effective retirement dates on or before January 31, 2014), there is no minimum service requirement. For duty disabled retirees, there is no minimum service requirement.

Note about the Monthly Medical Allowance

The maximum levels of subsidy are reviewed by the Board annually and are not indexed to increase automatically. In addition, the Monthly Medical Allowance can only be used to pay for retiree medical benefits. There is no benefit payable to beneficiaries, current spouses, former spouses or dependents. If the actual cost of coverage is less than the Monthly Medical Allowance, the difference is not paid in cash or applied towards the coverage for beneficiaries, current spouses, former spouses or dependents.

Deferred Benefit

Members who terminate employment with 10 or more years of service before reaching Pension eligibility commencement age may elect deferred MMA and/or dental/vision benefits.

Death Benefit

Surviving spouses/domestic partners of members who die before the member commences retiree health benefits may enroll in an ACERA group medical plan on the date that the member would have been eligible to commence benefits. The surviving spouse/domestic partner must pay 100% of the premium. Because premiums for surviving spouses/domestic partners under age 65 are calculated together with active participants for purposes of underwriting, the surviving spouses/domestic partners receive an implicit subsidy, which creates a liability for the SRBR.

6. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

At June 30, 2020, the District reported a liability of $495,308 for its proportionate share of the collective net OPEB liability. The collective net OPEB liability was measured as of December 31, 2019, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the collective net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2019, the District's proportion was 0.439%, which was an increase of 0.031% from its proportion measured as of December 31, 2018 (0.408%).

For the year ended June 30, 2020, the District recognized OPEB expense of $71,012. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience in Total OPEB Liability	$ -	$ 292,596
Changes of assumptions or other inputs	189,107	35,098
Net excess of projected over actual earnings on OPEB plan investments	-	247,953
Changes in proportion and differences between District contributions and proportionate share of contributions	47,508	67,054
District contributions subsequent to the measurement date	-	-
Total	$ 236,615	$ 642,701

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the District's OPEB expense as follows:

Year ended June 30	Total Deferred Outflows/(Inflows) of Resources
2021	$ (126,130)
2022	(126,130)
2023	35,304
2024	(151,905)
2025	(30,576)
Thereafter	(6,649)
Total	$ (406,086)

6. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial assumptions. The actuarial assumptions used for the December 31, 2019 valuation were based on the results of the experience study for the period from December 1, 2013 through November 30, 2016 that were approved by the Board effective with the December 31, 2017 valuation and the health care trend assumptions recommended for the upcoming sufficiency study for the SRBR as of December 31, 2019. The actuarial assumptions on the following page were applied to all periods included in the measurement:

December 31, 2019	
Inflation	3.00%
Investment rate of return	7.25%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	
Non-Medicare medical plan	Graded from 6.75% to ultimate 4.50% over 9 years
Medicare medical plan	Graded from 6.25% to ultimate 4.50% over 7 years
Dental/Vision	4.00%
Medicare Part B	4.50%

The actuarial assumptions used for the December 31, 2018 valuation were based on the results of the experience study for the period from December 1, 2013 through November 30, 2016 that were approved by the Board effective with the December 31, 2017 valuation and the health care trend assumptions used in the sufficiency study for the SRBR as of December 31, 2018. The following actuarial assumptions were applied to all periods included in the measurement:

December 31, 2018	
Inflation	3.00%
Investment rate of return	7.25%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	
Non-Medicare medical plan	Graded from 7.00% to ultimate 4.50% over 10 years
Medicare medical plan	Graded from 6.50% to ultimate 4.50% over 8 years
Dental/Vision and Medicare Part B	4.00%

The long-term expected rate of return on OPEB 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. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and subtracting expected investment expenses and a risk margin. This information will change every three years based on the results of an actuarial experience study.

6. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before deducting investment expenses and a risk margin, used in the derivation of the long-term expected investment rate of return assumption for the December 31, 2019 valuation are summarized in the following table. This information is subject to change every three years.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Large Cap Equity	22.40%	5.75%
Domestic Small Cap Equity	5.60%	6.37%
Developed Interational Equity	19.50%	6.89%
Emerging Markets Equity	6.50%	9.54%
U.S. Core Fixed Income	11.25%	1.03%
High Yield Bonds	1.50%	3.99%
International Bonds	2.25%	0.19%
TIPS	2.00%	0.98%
Real Estate	8.00%	4.47%
Commodities	3.00%	3.78%
Hedge Funds	9.00%	4.30%
Private Equity	9.00%	7.60%
Total	100.00%	

Discount rate: The discount rate used to measure the Total OPEB Liability was 7.25% as of December 31, 2019 and December 31, 2018. The projection of cash flows used to determine the discount rate assumed benefits are paid out of current OPEB SRBR assets. Based on those assumptions, the SRBR OPEB Plan's Fiduciary Net Position was projected to be available to make all projected future benefits payments for current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the Total OPEB Liability as of December 31, 2019 and December 31, 2018.

Sensitivity of the Net OPEB Liability to changes in the discount rate. The following presents the Net OPEB Liability (NOL) of the District as of December 31, 2019, calculated using the discount rate of 7.25%, as well as what the District's NOL would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
District's proportionate share of the collective net OPEB liability/(asset)	$ 1,105,990	$ 495,308	$ (11,663)

6. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the Net OPEB Liability to changes in the healthcare cost trend rate. The following presents the Net OPEB Liability of the District as of December 31, 2019, as well as what ACERA's Net OPEB Liability would be if it were calculated using a trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	1% Decrease	Current Trend Rates	1% Increase
District's proportionate share of the collective net OPEB liability/(asset)	$ (67,898)	$ 495,308	$ 1,189,115

OPEB plan fiduciary net position. Detailed information about the OPEB plan's fiduciary net position is available in the separately issued ACERA financial report.

Payables to the OPEB plan. At June 30, 2020, the District had no outstanding amount of contributions to the OPEB plan required.

7. DEFERRED COMPENSATION

District employees may defer a portion of their compensation under District sponsored Deferred Compensation Plans created in accordance with Internal Revenue Code Section 457. Under these plans, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, and death or in an emergency as defined by the Plans.

The District has no liability for any losses which may be incurred by the Plans and does not participate in any gains, but it does have the duty of due care that would be required of an ordinary prudent investor. The District has a contract with Mass Mutual Financial Group to manage and invest the assets of the Plans. These administrators pool the assets of the Plans with those of other participants and do not make separate investments for the District. Plan assets are subject to agreements which incorporated changes in the laws governing deferred compensation plan assets and are held by a trust or for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under this new plan are not the District's property and are not subject to claims by general creditors of the District, they have been excluded from these financial statements.

8. FUND BALANCES

The District reports fund balances in accordance with Governmental Accounting Standards Board Statement No. 54. All fund balance categories are reported in the aggregate on the face of the balance sheet. All components of those fund balances and specific purposes are identified as follows:

	General Fund
Nonspendable:	
Prepaid Expenses	$ 97,909
Total Nonspendable	97,909
Restricted:	
PG&E Energy Efficiency Retrofit Funds	1,576,310
Ravenswood Buckley Trust	289,322
Rotary for Teens	17,149
ESS	1,032
PAL	15,676
Marini Donation for Seniors	3,297
Senior Scholarships	3,442
Dependent Care Assistance Program	943
Quimby	4,226
Total Restricted	1,911,397
Unassigned:	
Unappropriated	6,270,147
Total Unassigned	6,270,147
Total Fund Balances	$ 8,279,453

9. JOINT VENTURE

The District is a member of the California Association for Park and Recreation Indemnity (CAPRI), a joint powers authority. The relationship between the District and CAPRI is such that CAPRI is not a component unit of the District for financial reporting purposes.

CAPRI provided liability, property and workers' compensation coverage for the District. CAPRI is governed by a Board consisting of representatives from member agencies. The Board controls their operations, including selection of management and approval of operating budgets, independent of any influence by the member agencies beyond their representation on the Board. Each member agency pays a contribution commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in the joint powers authority. Full financial statements are available seperately from California Association for Park and Recreation Indemnity at 1075 Creekside Ridge Drive, Suite 240, Roseville, CA 95678. Condensed information for CAPRI is as follows:

A. Entity	**CAPRI**
B. Purpose	To pool member contributions and realize the advantages of self-insurance.
C. Participants	As of June 30, 2019, 62 member districts.*
D. Governing Board	Seven representatives employed by members.
E. Payments for the Current Year	$ 899,564
F. Condensed Financial Information	June 30, 2019* (Audited)
Total Assets and Deferred Outflows	$ 24,724,748
Total Liabilities and Deferred Inflows	$ 19,849,400
Net Position	4,875,348
Total Liabilities and Net Position	$ 24,724,748
Total Revenues	$ 10,650,625
Total Expenses	(12,245,949)
Change in Net Position	$ (1,595,324)
Member Agencies Share of Year-End Assets, Liabilities, or Net Position	**

* Most current information available. ** Has not been calculated.

10. CONTINGENT LIABILITIES

The District is a defendant in several lawsuits that have arisen in the normal course of business. While substantial damages are alleged in some of these actions, their outcome cannot be predicted with certainty. Sufficient data to arrive at an estimate of the possible loss or range of loss is not available at this time. Accordingly, no provision has been recorded.

11. COMMITMENTS

In December 2019, the District entered into a power purchase agreement for electricity at a fixed rate for a period of 20 years beginning when the seller completes the project. As of June 30, 2020, the District has not purchased any electricity.

12. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The District incurred unanticipated expenditures in excess of appropriations in expenditure classifications for which the budget was not revised.

Excess of expenditures over appropriations for the year ended June 30, 2020 were as follows:

	Excess Expenditures
Salaries and employee benefits:	
Retirement	$ 149,626
Unemployment claims	112,249
Services and Supplies:	
Medical	219
Utilities	9
Professional services	13,565
Communications	44,862
Debt service	65,680
Rents and leases:	
Equipment	26,365
Structures	30,464

13. SUBSEQUENT EVENTS

District management has evaluated its June 30, 2020 financial statements for subsequent events through December 1, 2020, the date the financial statements were available to be issued. Management is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

LIVERMORE AREA RECREATION AND PARK DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
REVENUES				
Taxes:				
Property taxes	$ 10,715,000	$ 11,333,233	$ 11,181,216	$ (152,017)
Special tax	1,587,400	1,641,000	1,585,718	(55,282)
Other tax related revenue	358,000	-	25,417	25,417
Total Taxes	12,660,400	12,974,233	12,792,351	(181,882)
Revenues other than taxes:				
Earned Income (Recreation Division)				
Recreation classes	240,000	188,358	82,162	(106,196)
Adult sports & fitness	157,734	154,033	72,558	(81,475)
Aquatics	632,100	479,581	262,456	(217,125)
Camp Shelly	79,680	79,449	20,224	(59,225)
Park operations	408,248	388,240	337,401	(50,839)
Extended student services (ESS)	5,506,476	5,365,708	4,015,336	(1,350,372)
Senior services and volunteers	189,798	221,211	139,400	(81,811)
Preschool	468,000	464,860	314,638	(150,222)
Marketing & public information	23,575	26,772	23,575	(3,197)
Open space	532,087	530,544	414,550	(115,994)
Facility use & rentals	841,000	746,886	449,749	(297,137)
Youth sports & fitness	393,200	383,975	106,869	(277,106)
Believes program	149,317	149,340	148,586	(754)
Middle school program	635,970	612,682	487,602	(125,080)
Concessions	78,000	59,179	30,971	(28,208)
Field & gym rentals	491,725	524,087	363,767	(160,320)
Other	24,603	20,613	90,702	70,089
Total Earned Income	10,851,513	10,395,518	7,360,573	(3,034,945)
Capital development revenue:				
Capital grants and contributions	-	-	26,979	26,979
City AB 1600 In-Lieu	4,975,234	4,975,234	3,960,703	(1,014,531)
Total Capital development revenue	4,975,234	4,975,234	3,987,682	(987,552)
Mandated program reimbursement	-	-	19,668	19,668
Total Revenues	$ 28,487,147	$ 28,344,985	$ 24,160,274	$ (4,184,711)

LIVERMORE AREA RECREATION AND PARK DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budgeted Amounts			Variance with Final Budget Favorable
	Approved	Final	Actual	(Unfavorable)
EXPENDITURES				
Salaries and employee benefits:				
Salaries	$ 11,982,891	$ 11,362,769	$ 10,349,170	$ 1,013,599
Retirement	1,821,710	1,533,731	1,683,357	(149,626)
Workers compensation insurance	487,989	462,649	399,917	62,732
Employee group insurance	1,922,014	1,915,142	1,898,747	16,395
Employer FICA/Medicare	614,420	580,948	503,781	77,167
Unemployment claims	-	-	112,249	(112,249)
Total Salaries and employee benefits	16,829,024	15,855,239	14,947,221	908,018
Services and Supplies:				
Agriculture	98,900	95,460	33,479	61,981
Clothing	43,120	42,591	31,402	11,189
Household	110,336	121,222	104,133	17,089
Food	146,909	130,711	94,168	36,543
Office	71,865	75,246	57,352	17,894
Medical	15,980	12,034	12,253	(219)
Small tools	33,050	28,748	21,227	7,521
Non-capital equipment	55,825	97,328	53,823	43,505
Total Services and supplies	575,985	603,340	407,837	195,503
Maintenance:				
Structures	869,550	1,143,276	892,252	251,024
Equipment	250,203	209,857	188,649	21,208
Total Maintenance	1,119,753	1,353,133	1,080,901	272,232
Utilities	1,841,501	1,679,117	1,679,126	(9)
Professional service	717,970	1,246,686	1,260,251	(13,565)
Communications	135,500	100,030	144,892	(44,862)
Transportation	144,960	121,030	96,958	24,072
Debt service	-	-	65,680	(65,680)
District legal expense	144,000	132,000	132,000	-
Program services and supplies	167,507	156,288	125,076	31,212
Field Trips & Events	137,600	137,315	89,288	48,027
Finance Charges & Interest	76,400	75,869	74,497	1,372
Insurance	407,100	438,147	403,470	34,677
Instructor and sports officials	340,806	269,310	230,261	39,049
Training and Conferences	57,007	26,589	13,463	13,126
Licensing	22,300	26,190	19,947	6,243
Memberships	51,940	40,820	33,774	7,046
Publications/Legal Notice	2,100	3,213	3,179	34
Rents and leases:				
Equipment	100,918	225,015	251,380	(26,365)
Structures	161,964	174,570	205,034	(30,464)
Total Rents and leases	262,882	399,585	456,414	(56,829)
Miscellaneous	46,500	47,834	116	47,718
Total operating expenditures	23,080,835	22,711,735	21,264,351	1,447,384
Capital Outlay:				
Structures and improvements	4,975,234	4,975,234	4,260,998	714,236
Equipment	-	55,594	39,128	16,466
Total Capital outlay	4,975,234	5,030,828	4,300,126	730,702
Total expenditures	28,056,069	27,742,563	25,564,477	2,178,086
Excess (deficiency) of revenues over (under) expenditures	(4,544,156)	(4,372,812)	(1,404,203)	2,968,609
OTHER FINANCING SOURCES (USES)				
Proceeds from PG&E financing	-	-	1,576,310	1,576,310
Total other financing sources (uses)	-	-	1,576,310	1,576,310
Net change in fund balance	(4,544,156)	(4,372,812)	172,107	4,544,919
Fund balance - July 1, 2019	8,107,346	8,107,346	8,107,346	-
Fund balance - June 30, 2020	$ 3,563,190	$ 3,734,534	$ 8,279,453	$ 4,544,919

LIVERMORE AREA RECREATION AND PARK DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	2018	2019	2020
District's proportion of the collective net OPEB liability (asset)	0.42%	0.41%	0.44%
District's proportionate share of the collective net OPEB liability (asset)	$ 116,763	$ 950,150	$ 495,308
District's covered payroll	$ 4,254,668	$ 4,585,695	$ 4,434,257
District's proportionate share of the collective net OPEB liability (asset) as a percentage of its covered payroll	2.74%	20.72%	11.17%
Plan fiduciary net position as a percentage of the total OPEB liability	97.33%	77.91%	89.57%

The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

*This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND SCHEDULE OF PENSION CONTRIBUTIONS

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Schedule of Proportionate Share of the Net Pension Liability

Year Ended June 30,	District's proportion of the Net Pension Liability	District's proportionate share of Net Pension Liability	Covered payroll	District's proportionate share of the net pension liability as a percentage of its covered payroll*	Plan's Fiduciary Net Position as a percentage of the Total Pension Liability
2020	0.64000%	$ 13,701,573	$ 4,434,257	308.99%	77.82%
2019	0.57200%	$ 15,804,862	$ 4,585,695	344.66%	72.74%
2018	0.35900%	$ 7,228,288	$ 4,254,668	169.89%	82.99%
2017	0.38500%	$ 8,644,696	$ 4,548,036	190.08%	77.76%
2016	0.48300%	$ 9,288,497	$ 4,485,863	207.06%	75.39%
2015	0.47129%	$ 8,203,447	$ 3,919,778	209.28%	77.26%

Schedule of Pension Contributions

Year Ended June 30,	Contractually required contribution*	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	District's covered payroll	Contributions as a percent of covered payroll*
2020	$ 1,306,574	$ 1,306,574	$ -	$ 4,434,257	29.47%
2019	$ 1,100,236	$ 1,100,236	$ -	$ 4,585,695	23.99%
2018	$ 1,049,843	$ 1,049,843	$ -	$ 4,254,668	24.68%
2017	$ 1,189,646	$ 1,189,646	$ -	$ 4,548,036	26.16%
2016	$ 1,199,303	$ 1,199,303	$ -	$ 4,485,863	26.74%
2015	$ 1,145,344	$ 1,145,344	$ -	$ 3,919,778	29.22%

The amounts presented for each fiscal year were actuarially determined at December 31 of the prior year and rolled forward to the measurement date.

*This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

Budgetary Comparison Schedule

Through the budget, the District board sets the direction of the District, allocates its resources and establishes its priorities. The annual budget serves from July 1st to June 30th, and is a vehicle that accurately and openly communicates these priorities to the community and other public agencies. Additionally, it establishes the foundation of effective financial planning by providing resources for planning that permit the evaluation of District performance.

The original budget represents the budget adopted by the board in June 2019 and the final budget reflects the mid-year budget adjustments adopted by the board in March 2020.

The District's adopted budget includes designated fund balances to be used in current year operations as well as a contingency expense for unexpected increases in expenditures. These amounts are not in accordance with generally accepted accounting principles and are therefore not included in the budgets presented in the required supplementary information.

Schedule of the District's Proportionate Share of the Net OPEB Liability

In determining the Plan's fiduciary net position, only 50% of the current deferred market gains that would be available to the OPEB Plan are included.

The Net OPEB Liability decreased primarily as a result of favorable investment returns during the calendar year 2019 offset somewhat by updating the health trend assumptions.

Schedule of Proportionate Share of the Net Pension Liability

In determining the Plan's fiduciary net position, only 50% of the current deferred market gains that would be available to the Pension Plan are included.

The Net Pension Liability decreased primarily as a result of the favorable investment return during calendar year 2019.

SUPPLEMENTARY INFORMATION

KIDANGO CONTRACT
SCHEDULE OF REVENUES AND EXPENSES

JUNE 30, 2020

KIDANGO, INC.
Livermore Area Recreation and Park District (LARPD)
Financial Report July 1, 2019 - June 30, 2020

Revenue

Payments from Kidango to LARPD	$	664,535
Kidango Parent Fees from certified families to LARPD	$	43,955
Sub-total, Total Kidango-related Payments	**$**	**708,490**
Non-Kidango fees (non-certified children)		2,588,461
TOTAL REVENUE - Certified and non-Certified - at Kidango sites	**$**	**3,296,951**

Expenses - LARPD Sites that support Kidango

1000 Certificated Salaries		1,318,612
2000 Classified Salaries		1,122,344
3000 Employee Benefits		1,117,486
4000 Books and Supplies		118,060
5000 Services and Other Operating Expenses		179,071
6100/6200 Other Approved Capital Outlay		-
6400 New Equipment *(program-related)*		-
6500 Equipment Replacement *(program-related)*		-
Depreciation or Use Allowance		-
Start-Up Expenses *(* service level exemption)		-
Indirect Costs (Rate:__________%; included in Admin cost)		-
TOTAL EXPENSES - Kidango Sites	**$**	**3,855,573**
Less: Expenses Paid By Livermore Area Recreation & Park District		3,191,038
Total Expenses Claimed for Reimbursement to Kidango	**$**	**664,535**

OTHER INDEPENDENT AUDITOR’S REPORT

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

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Livermore Area Recreation and Park District
Livermore, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Livermore Area Recreation and Park District (the "District"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 1, 2020.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

James Marta & Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
December 1, 2020

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APPENDIX B
SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

This appendix summarizes certain provisions of the Indenture not summarized elsewhere in this Official Statement. Reference is made to the entire Indenture, which can be obtained from the Trustee, for the complete terms and conditions thereof.

Certain Definitions

"ACERA" means the Alameda County Employees' Retirement Association.

"ACERA Obligations" means the obligation of the District under the Retirement Law to make payments to ACERA with respect to benefits accruing with respect to current and former employees of the District.

"Authorizing Resolution" means the Resolution adopted by the Board of the District on June 9, 2021, authorizing the issuance of the Bonds.

"Beneficial Owner" means the beneficial owner of each such Bond, determined under the rules of DTC.

"Bond Counsel" means (a) Jones Hall, A Professional Law Corporation, or (b) any other attorney or firm of attorneys appointed by or acceptable to the District of nationally-recognized experience in the issuance of obligations issued by public agencies.

"Bond Year" means any twelve-month period beginning on June 2 in any year and extending to the next succeeding June 1, both dates inclusive; except that the first Bond Year begins on the Closing Date and ends on June 1, 2022.

"Business Day" means a day of the year (other than a Saturday or Sunday) on which banks in California are not required or permitted to be closed, and on which the New York Stock Exchange is open.

"Certificate of the District" means a certificate in writing signed by the Mayor, District Manager or Finance Director of the District, or any other officer of the District duly authorized by the District for that purpose.

"Closing Date" means the date on which the Bonds are delivered by the District to the Original Purchaser.

"Costs of Issuance" means all items of expense directly or indirectly payable by or reimbursable to the District relating to the authorization, issuance, sale and delivery of the Bonds, including but not limited to: printing expenses; rating agency fees; filing and recording fees; initial fees, expenses and charges of the Trustee and its counsel, including the Trustee's first annual administrative fee; fees, charges and disbursements of attorneys, financial advisors, accounting firms, consultants and other professionals; Bond Insurance Policy premium; and any other cost, charge or fee in connection with the original issuance of the Bonds.

"Depository" means (a) initially, DTC, and (b) any other Securities Depository acting as Depository.

"Depository System Participant" means any participant in the Depository's book-entry system.

"Federal Securities" means: (a) any direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), for which the full faith and credit of the United States of America are pledged; (b) obligations of any agency, department or instrumentality of the United States of America, the timely payment of principal and interest on which are directly or indirectly secured or guaranteed by the full faith and credit of the United States of America.

"Fiscal Year" means any twelve-month period beginning on July 1 in any year and extending to the next succeeding June 30, both dates inclusive, or any other twelve-month period selected and designated by the District as its official fiscal year period under a Certificate of the District filed with the Trustee.

"Independent Accountant" means any accountant or firm of such accountants duly licensed or registered or entitled to practice and practicing as such under the laws of the State of California, appointed by or acceptable to the District, and who, or each of whom: (a) is in fact independent and not under domination of the District; (b) does not have any substantial interest, direct or indirect, with the District; and (c) is not connected with the District as an officer or employee of the District, but who may be regularly retained to make reports to the District.

"Moody's" means Moody's Investor Services, and its successors.

"Nominee" means (a) initially, Cede & Co. as nominee of DTC, and (b) any other nominee of the Depository.

"Office" means, with respect to the Trustee, the corporate trust office of the Trustee at the address set forth in the Indenture, or at such other or additional offices as may be specified by the Trustee in writing to the District.

"Original Purchaser" means, Oppenheimer & Co., Inc., as the original purchaser of the Bonds upon the negotiated sale thereof.

"Outstanding", when used as of any particular time with reference to Bonds, means (subject to the provisions of the Indenture) all Bonds except: (a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (b) Bonds paid or deemed to have been paid within the meaning of the Indenture; and (c) Bonds in lieu of or in substitution for which other Bonds have been authorized, executed, issued and delivered by the District hereunder.

"Owner" means, with respect to any Bond, the person in whose name the ownership of such Bond is registered on the Registration Books.

"Permitted Investments" means any of the following which at the time of investment are legal investments under the laws of the State of California for the moneys proposed to be invested therein:

(a) Federal Securities;

(b) Federal Housing Administration debentures.

(c) The listed obligations of government-sponsored agencies which are not backed by the full faith and credit of the United States of America:

(i) Federal Home Loan Mortgage Corporation participation certificates (excluding stripped mortgage securities which are purchased at prices exceeding their principal amounts) or senior debt obligations;

(ii) Farm Credit Banks (formerly: Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives) consolidated system-wide bonds and notes;

(iii) Federal Home Loan Banks consolidated debt obligations; and

(iv) Federal National Mortgage Association senior debt obligations or mortgage-backed securities (excluding stripped mortgage securities which are purchased at prices exceeding their principal amounts);

(d) Unsecured certificates of deposit, time deposits, and bankers' acceptances (having maturities of not more than 30 days) of any bank, including the Trustee or its affiliates, the short-term obligations of which are rated "A-1" or better by S&P and "Prime-1" or better by Moody's at the time of initial investment.

(e) Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), in banks, including the Trustee or its affiliates, which have capital and surplus of at least $15 million.

(f) Commercial paper (having original maturities of not more than 270 days) rated "A-1+" by S&P and "Prime-1" by Moody's.

(g) Money market funds rated "AAm" or "AAm-G" by S&P, or better, including funds for which the Trustee or its affiliates or subsidiaries provide investment or other advisory services.

(h) "State Obligations", which means:

(i) Direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated "A3" by Moody's and "A" by S&P, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated;

(ii) Direct general short-term obligations of any state agency or subdivision or agency thereof described in (i) above and rated "A-1+" by S&P and "Prime-1" by Moody's; and

(iii) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (i) above and rated "AA" or better by S&P and "Aa" or better by Moody's.

(i) Pre-refunded municipal obligations rated "AAA" by S&P and "Aaa" by Moody's meeting the following requirements:

(i) the municipal obligations are (1) not subject to redemption prior to maturity or (2) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

(ii) the municipal obligations are secured by cash or Federal Securities described in clause (a) of the definition thereof ("United States Treasury Obligations") which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

(iii) the principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations ("Verification");

(iv) the cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

(v) no substitution of a United States Treasury Obligations shall be permitted except with another United States Treasury Obligation and upon delivery of a new Verification; and

(vi) the cash or United States Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

(j) Investment agreements with a domestic or foreign bank or corporation the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt, or, in the case of a monoline financial guaranty insurance company, claims paying ability, of the guarantor is rated at least "AA-" by S&P or "Aa3" by Moody's at the time of initial investment.

(k) The Local Agency Investment Fund which is administered by the California Treasurer for the investment of funds belonging to local agencies within the State of California.

"Record Date" means, with respect to any Interest Payment Date, the close of business on the 15th calendar day of the month preceding such Interest Payment Date, whether or not such 15th calendar day is a Business Day.

"Registration Books" means the records maintained by the Trustee for the registration and transfer of ownership of the Bonds.

"Request of the District" means a request in writing signed by the Mayor, District Manager or Finance Director of the District, or any other officer of the District duly authorized by the District for that purpose.

"S&P" means S&P Global Ratings Inc., and its successors.

"Securities Depositories" means DTC; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the District may designate in a Request of the District delivered by the District to the Trustee.

"Supplemental Indenture" means any indenture, agreement or other instrument which amends, supplements or modifies the Indenture and which has been duly entered into between the District and the Trustee; but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

Investments

The Trustee shall invest moneys in the funds and accounts established and held by it in Permitted Investments specified in the Request of the District (which Request will be deemed to include a certification that the specified investment is a Permitted Investment) delivered to the Trustee at least two Business Days in advance of the making of such investments. In the absence of any direction from the District concerning the investment of amounts held by the Trustee hereunder, the Trustee shall invest any such amounts solely in Permitted Investments described in subsection (c) of the definition thereof. The District shall ensure that all Permitted Investments mature not later than the date on which the funds invested therein are required to be expended.

Obligations purchased as an investment of moneys in any fund or account will be deemed to be part of such fund or account. Whenever in the Indenture the District is required to transfer any moneys to the Trustee, such transfer may be accomplished by transferring a like amount of Permitted Investments. All interest or gain derived from the investment of amounts in any of the funds or accounts held by the Trustee hereunder will be retained in the respective fund or account from which such investment was made. For purposes of acquiring any investments hereunder, the Trustee may commingle funds held by it hereunder upon receipt by the Trustee of the Request of the District. The Trustee may act as principal or agent in the acquisition or disposition of any investment and may impose its customary charges therefor. The Trustee shall incur no liability for losses arising from any investments made under the Indenture.

The Trustee shall provide the District with periodic cash transaction statements which include detail for all investment transactions effected by the Trustee or brokers selected by the District. Upon the District's election, such statements will be delivered via the Trustee's online service and upon electing such service, paper statements will be provided only upon request. The District waives the right to receive brokerage confirmations of security transactions effected by the Trustee as they occur, to the extent permitted by law. The District further understands that trade confirmations for securities transactions effected by the Trustee will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker. The

Trustee or any of its affiliates may act as sponsor, advisor or manager in connection with any investments made by the Trustee hereunder.

Other Covenants of the District

Punctual Payment. The District shall, from any legally available source of funds of the District, including amounts on deposit in the General Fund of the District, punctually pay or cause to be paid the principal, premium (if any) and interest to become due in respect of all the Bonds in strict conformity with the terms of the Indenture. The District shall faithfully observe and perform all of the conditions, covenants and requirements of the Indenture and all Supplemental Indentures.

Budget and Appropriation of Debt Service. The District covenants to take such action as may be necessary to include in each of its annual budgets the payments required to be made by the District, and to make the necessary annual appropriations for all such payments. If any payment of Debt Service requires the adoption by the District of a supplemental budget or appropriation, the District will promptly adopt the same. The covenants on the part of the District herein contained constitute duties imposed by law and it is the duty of each and every public official of the District to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the District to carry out and perform the covenants and agreements in the Indenture agreed to be carried out and performed by the District.

Extension of Payment of Bonds. The District may not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase of such Bonds or by any other arrangement, and if the maturity of any of the Bonds or the time of payment of any such claims for interest is extended, such Bonds or claims for interest are not entitled, in case of any default hereunder, to the benefits of the Indenture, except subject to the prior payment in full of the principal of all of the Outstanding Bonds and of all claims for interest thereon which have not been so extended. Nothing limits the right of the District to issue bonds for the purpose of refunding any Outstanding Bonds, and such issuance does not constitute an extension of maturity of the Bonds.

Books and Accounts; Financial Statements; Additional Information. The District will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the District. Such books of record and accounts shall at all times during business hours be subject, upon prior written request, to the reasonable inspection of the Trustee (who has no duty to inspect) or the Owners of not less than 10% in aggregate principal amount of the Bonds then Outstanding, or their representatives authorized in writing. The District will cause to be prepared annually, within nine months after the close of each Fiscal Year so long as any of the Bonds are Outstanding, complete audited financial statements with respect to such Fiscal Year, as of the end of such Fiscal Year. The District will furnish a copy of such statements, upon reasonable request, to the Trustee. The Trustee has no duty to review any such financial statement.

Continuing Disclosure. The District will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision, failure of the District to comply with the Continuing Disclosure Certificate does not constitute an Event of Default hereunder; *provided, however*, that any Participating Underwriter (as such term is defined in the Continuing Disclosure Certificate) or any

Owner or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the District to comply with its obligations.

Protection of Security and Rights of Owners. The District shall preserve and protect the security of the Bonds and the rights of the Owners. From and after the date of issuance of the Bonds, the District shall not contest the validity or enforceability of the Bonds or the Indenture.

Further Assurances. The District shall adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of the Indenture, and for the better assuring and confirming unto the Bond Owners the rights and benefits provided in the Indenture.

The Trustee

Duties, Immunities and Liabilities of Trustee. The Trustee shall, prior to the occurrence of an Event of Default, and after the curing or waiving of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth in the Indenture and no implied covenants or duties will be read into the Indenture against the Trustee. The Trustee shall, during the existence of any Event of Default (which has not been cured or waived), exercise such of the rights and powers vested in it by the Indenture, and use the same degree of care and skill in their exercise, as a reasonable corporate trustee would exercise or use.

The District may remove the Trustee at any time, and shall remove the Trustee (i) if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or (ii) if at any time (A) the Trustee ceases to be eligible in accordance with subsection (e), (B) becomes incapable of acting, (C) is adjudged a bankrupt or insolvent, (D) a receiver of the Trustee or its property is appointed, or (E) any public officer takes control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation. The District may accomplish such removal by giving 30 days written notice to the Trustee, whereupon the District will appoint a successor Trustee by an instrument in writing.

The Trustee may at any time resign by giving written notice of such resignation to the District, and by giving notice of such resignation by first class mail, postage prepaid, to the Bond Owners at their respective addresses shown on the Registration Books. Upon receiving such notice of resignation, the District will promptly appoint a successor Trustee by an instrument in writing.

Any removal or resignation of the Trustee and appointment of a successor Trustee becomes effective upon acceptance of appointment by the successor Trustee. If no successor Trustee has been appointed and accepted appointment within 45 days following giving notice of removal or notice of resignation as aforesaid, the resigning Trustee, at the expense of the District, or any Owner (on behalf of such Owner and all other Owners) may petition any federal or state court for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under the Indenture shall signify its acceptance of such appointment by executing and delivering to the District and to its predecessor Trustee a written acceptance thereof, and to the predecessor Trustee an instrument indemnifying the predecessor Trustee for any costs or claims arising during the time the successor Trustee serves as Trustee hereunder, and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless, upon the receipt by the predecessor Trustee of the Request of the District or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under the Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the District will execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the District will mail or cause the successor Trustee to mail, by first class mail postage prepaid, a notice of the succession of such Trustee to the trusts hereunder to each rating agency which then maintains a rating on the Bonds and to the Owners at the addresses shown on the Registration Books. If the District fails to mail such notice within 15 days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the District.

Any Trustee appointed under the provisions of this Section in succession to the Trustee shall (i) be a company or bank having trust powers, (ii) have a corporate trust office in the State of California, (iii) have (or be part of a bank holding company system whose bank holding company has) a combined capital and surplus of at least $50,000,000, and (iv) be subject to supervision or examination by federal or state authority. If such bank or company publishes a report of condition at least annually, under law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this subsection the combined capital and surplus of such bank or company is deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions above, the Trustee shall resign immediately in the manner and with the effect specified above.

Merger or Consolidation. Any bank or company into which the Trustee may be merged or converted or with which either of them may be consolidated or any bank or company resulting from any merger, conversion or consolidation to which it shall be a party or any bank or company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such bank or company shall be eligible under, shall be the successor to such Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Liability of Trustee. The recitals of facts in the Indenture and in the Bonds contained shall be taken as statements of the District, and the Trustee assumes no responsibility for the correctness of the same, nor does it have any liability whatsoever therefor, nor does it make any representations as to the validity or sufficiency of the

Indenture or of the Bonds nor does it incur any responsibility in respect thereof, other than as expressly stated herein. The Trustee is, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee is not liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The Trustee is not liable for the acts of any agents of the Trustee selected by it with due care. The Trustee may become the Owner of Bonds with the same rights it would have if they were not Trustee and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of the Owners, whether or not such committee shall represent the Owners of a majority in principal amount of the Bonds then Outstanding. The Trustee, either as principal or agent, may engage in or be entrusted in any financial or other transaction with the District. The Trustee is not liable with respect to any action taken or omitted to be taken by it in accordance with the direction of the Owners of a majority in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under the Indenture. The Trustee is not liable for any action taken by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by the Indenture, except for actions arising from the negligence or willful misconduct of the Trustee. The permissive right of the Trustee to do things enumerated hereunder shall not be construed as a mandatory duty.

The Trustee will not be deemed to have knowledge of any Event of Default hereunder unless and until a responsible officer of the Trustee has actual knowledge thereof, or unless and until a responsible officer of the Trustee has received written notice thereof at its Office. Except as otherwise expressly provided herein, the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements herein or of any of the documents executed in connection with the Bonds, or as to the existence of an Event of Default hereunder or thereunder. The Trustee shall not be responsible for the District's payment of principal and interest on the Bonds, the District's observance or performance of any other covenants, conditions or terms contained herein, or the validity or effectiveness of any collateral given to or held by it. Without limiting the generality of the foregoing, and notwithstanding anything herein to the contrary, the Trustee is not responsible for reviewing the contents of any financial statements furnished to the Trustee and may rely conclusively on the Certificate of the District accompanying such financial statements to establish the District's compliance with its financial covenants hereunder.

No provision in the Indenture requires the Trustee to risk or expend its own funds or otherwise incur any financial liability hereunder. The Trustee is entitled to receive interest on any moneys advanced by it hereunder, at the maximum rate permitted by law. The Trustee may establish additional accounts or subaccounts of the funds established hereunder as the Trustee deems necessary or prudent in furtherance of its duties under the Indenture. The Trustee has no responsibility or liability whatsoever with respect to any information, statement, or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds, nor shall the Trustee have any obligation to review any such material, and any such review by the Trustee will not be deemed to create any obligation, duty or liability on the part of the Trustee.

Before taking any action under the Indenture the Trustee may require indemnity satisfactory to the Trustee be furnished to it to hold the Trustee harmless from any expenses whatsoever and to protect it against any liability it may incur. The immunities extended to the Trustee also extend to its directors, officers, employees and agents. The permissive right of the Trustee to do things enumerated in the Indenture shall not be construed as a duty. The Trustee may execute any of the trusts or powers and perform any of its duties through attorneys, agents and receivers and shall not be answerable for the conduct of the same if appointed by it with reasonable care. The Trustee will not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, Acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to any project refinanced with the proceeds of the Bonds, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Trustee.

Right to Rely on Documents**.** The Trustee is protected in acting upon any notice, resolution, requisition, request, consent, order, certificate, report, opinion or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, including, without limitation, Bond Counsel or other counsel of or to the District, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Trustee hereunder in accordance therewith. The Trustee is not bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and such person's title thereto is established to the satisfaction of the Trustee. Whenever in the administration of the trusts imposed upon it by the Indenture the Trustee deems it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Certificate of the District, which shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of the Indenture in reliance upon such Certificate, but in its discretion the Trustee may (but has no duty to), in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable. The Trustee may conclusively rely on any certificate or report of any Independent Accountant appointed by the District.

Preservation and Inspection of Documents. The Trustee shall retain in its possession all documents received by it under the provisions of the Indenture, which are subject during normal business hours, and upon reasonable prior written notice, to the inspection of the District and any Owner, and their agents and representatives duly authorized in writing.

Compensation and Indemnification. Absent any agreement to the contrary, the District shall pay to the Trustee from time to time compensation for all services rendered under the Indenture and also all expenses, charges, legal and consulting fees and other disbursements and those of its attorneys (including any allocated costs of internal counsel), agents and employees, incurred in and about the performance of its powers and duties under the Indenture. The District further covenants to indemnify the Trustee and its officers, directors, agents and employees, against any loss, expense and liabilities, whether or not litigated, which it may incur arising out of or in the exercise and performance of its powers and duties hereunder, including the costs and expenses of defending against any claim of liability and of enforcing any remedies hereunder and under any related documents, but excluding any and all losses, expenses and liabilities which are due to the negligence or willful misconduct of the Trustee, its officers, directors, agents or employees. The obligations of the District shall survive resignation or removal of the Trustee under the Indenture and payment of the Bonds and discharge of the Indenture.

Accounting Records and Financial Statements. The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with industry standards, in which complete and accurate entries shall be made of all transactions made by it relating to the proceeds of the Bonds and all funds and accounts established and held by the Trustee under the Indenture. Such books of record and account shall be available for inspection by the District at reasonable hours, during regular business hours, with reasonable prior notice and under reasonable circumstances. The Trustee shall furnish to the District, at least semiannually, an accounting (which may be in the form of its customary statements) of all transactions relating to the proceeds of the Bonds and all funds and accounts held by the Trustee under the Indenture.

Amendments

Amendment With Bond Owner Consent. The Indenture and the rights and obligations of the District and of the Owners of the Bonds may be modified or amended by the District and the Trustee upon Request of the District at any time by the execution of a Supplemental Indenture, with the written consents of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified. Any such Supplemental Indenture becomes effective upon the execution and delivery thereof by the parties thereto and upon consent of the requisite Bond Owners. No such modification or amendment may:

(i) extend the maturity of a Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of the District to pay the principal thereof, or interest thereon, or any premium payable on the redemption thereof, at the time and place and at the rate and in the currency provided therein, without the written consent of the Owner of that Bond; or

(ii) modify any of the rights or obligations of the Trustee without its written consent.

Amendment Without Bond Owner Consent. The Indenture and the rights and obligations of the District and of the Owners of the Bonds may also be modified or amended at any time by a Supplemental Indenture, without the consent of any Owners of the Bonds, for any one or more of the following purposes:

(i) to add to the covenants and agreements of the District contained in the Indenture, other covenants and agreements thereafter to be observed, or to limit or surrender any rights or power herein reserved to or conferred upon the District;

(ii) to provide additional security for the Bonds; or

(iii) to cure any ambiguity, or to cure, correct or supplement any defective provision contained in the Indenture, or in any other respect whatsoever as the District deems necessary or desirable, provided under any circumstances that such modifications or amendments do not materially adversely affect the interests of the Owners in the opinion of Bond Counsel filed with the District and the Trustee.

Effect of Supplemental Indenture. From and after the time any Supplemental Indenture becomes effective under the Indenture, the Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations of the parties hereto or thereto and all Owners, as the case may be, shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any Supplemental Indenture shall be deemed to be part of the terms and conditions of the Indenture for any and all purposes.

Endorsement or Replacement of Bonds After Amendment. After the effective date of any amendment or modification of the Indenture, the District may determine that any or all of the Bonds shall bear a notation, by endorsement in form approved by the District, as to such amendment or modification and in that case upon demand of the District the Owners of such Bonds shall present such Bonds for that purpose at the Office of the Trustee, and thereupon a suitable notation as to such action shall be made on such Bonds. In lieu of such notation, the District may determine that new Bonds shall be prepared and executed in exchange for any or all of the Bonds and in that case upon demand of the District the Owners of the Bonds shall present such Bonds for exchange at the Office of the Trustee without cost to such Owners.

Amendment by Mutual Consent. The Indenture does not prevent any Owner from accepting any amendment as to the particular Bond held by such Owner.

Trustee's Reliance. The Trustee may conclusively rely, and is protected in relying, upon a Certificate of the District and an opinion of counsel stating that all requirements of the Indenture relating to the amendment or modification of the Indenture have been satisfied and that such amendments or modifications do not materially adversely affect the interests of the Bond Owners.

Events of Default

Definition of "Event of Default." Each of the following events constitutes an Event of Default hereunder:

(a) Failure to pay any installment of the principal of any Bonds when due, whether at maturity as therein expressed, by proceedings for redemption, by acceleration, or otherwise.

(b) Failure to pay any installment of interest on the Bonds when due.

(c) Failure by the District to observe and perform any of the other covenants, agreements or conditions on its part contained in the Indenture or in the Bonds, if such failure has continued for a period of 30 days after written notice thereof, specifying such failure and requiring the same to be remedied, has been given to the District by the Trustee; *provided, however*, if in the reasonable opinion of the District the failure stated in the notice can be corrected, but not within such 30-day period, such failure will not constitute an Event of Default if corrective action is instituted by the District and thereafter diligently and in good faith cures the failure in a reasonable period of time.

(d) The District commences a voluntary case under Title 11 of the United States Code or any substitute or successor statute.

Remedies on Default. If an Event of Default occurs and is continuing, the Trustee may, and at the written direction of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding the Trustee must, (a) declare the principal of the Bonds, together with the accrued interest thereon, to be due and payable immediately, and upon any such declaration the same will become immediately due and payable, anything in the Indenture or in the Bonds to the contrary notwithstanding, and (b) subject to the provisions of the Indenture, exercise any other remedies available to the Trustee and the Bond Owners in law or at equity to enforce the rights of the Bond Owners under the Indenture. Without limiting the generality of the foregoing, the Trustee shall have the right by mandamus, suit, action or proceeding, to compel the District and its members, officers, agents or employees to perform each and every term, provision and covenant contained in the Indenture and in the Bonds, and to require the carrying out of any or all such covenants and agreements of the District and the fulfillment of all duties imposed upon it.

This provision, however, is subject to the condition that if, at any time after the principal of the Bonds has been so declared due and payable, and before any judgment or decree for the payment of the moneys due has been obtained or entered, the District deposits with the Trustee a sum sufficient to pay all principal on the Bonds matured prior to such declaration and all matured installments of interest (if any) upon all the Bonds, with interest on such overdue installments of principal and interest at an interest rate equal to the highest rate borne by the Outstanding Bonds, and the reasonable fees and expenses of the Trustee, including fees and expenses of its attorneys, and any and all other defaults known to the Trustee (other than in the payment of principal of and interest on the Bonds due and payable solely by reason of such declaration) has been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate has been made therefor, then, and in every such case, the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding, by written notice to the District and to the Trustee, may, on behalf of the Owners of all of the Bonds, rescind and annul such declaration and its consequences. However, no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon.

Notice of Event of Default. Immediately upon becoming aware of the occurrence of an Event of Default, but in no event later than five Business Days following becoming aware of such occurrence, the Trustee shall give notice of such Event of Default to the District by telephone confirmed in writing. Such notice must also state whether the principal of the Bonds has been declared to be or have immediately become due and payable as provided in the Indenture. With respect to any Event of Default described in the Indenture, the Trustee shall, and with respect to any Event of Default described in the Indenture, the Trustee in its sole discretion may, also give such notice to the Bond Owners in the same manner as provided herein for notices of redemption of the Bonds, which must include the statement that interest on the Bonds will cease to accrue from and after the date, if any, on which the Trustee declares the Bonds to become due and payable under the Indenture (but only to the extent that principal and any accrued, but unpaid, interest on the Bonds is actually paid on such date).

Application of Funds Upon Event of Default. All of the sums in the funds and accounts established and held by the Trustee hereunder upon the occurrence of an Event of Default, and all sums thereafter received by the Trustee hereunder, shall be applied by the Trustee as follows and in the following order:

(a) *First*, to the payment of any fees, costs and expenses incurred by the Trustee to protect the interests of the Owners of the Bonds; payment of the fees, costs and expenses of the Trustee (including fees and expenses of its counsel, including any allocated costs of internal counsel) incurred in and about the performance of its powers and duties under the Indenture and the payment of all fees, costs and expenses owing to the Trustee, together with interest on all such amounts advanced by the Trustee at the maximum rate permitted by law.

(b) *Second*, to the payment of the whole amount then owing and unpaid upon the Bonds for interest and principal, with interest on such overdue amounts at the respective rates of interest borne by those Bonds, and in case such moneys are insufficient to pay in full the whole amount so owing and unpaid upon the Bonds, then to the payment of such interest, principal and interest on overdue amounts without preference or priority among such interest, principal and interest on overdue amounts ratably to the aggregate of such interest, principal and interest on overdue amounts.

Power of Trustee to Control Proceedings. If the Trustee, upon the happening of an Event of Default, takes any action, by judicial proceedings or otherwise, in the performance of its duties hereunder, whether upon its own discretion, with the consent or upon the request of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, it has full power, in the exercise of its discretion for the best interests of the Owners of the Bonds, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action. The Trustee may not, unless there no longer continues an Event of Default, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the Owners of a majority in principal amount of the Outstanding Bonds hereunder opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation.

Limitation on Owners' Right to Sue. No Owner of a Bond has the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon the Indenture, unless:

(a) said Owner has previously given to the Trustee written notice of the occurrence of an Event of Default;

(b) the Owners of a majority in aggregate principal amount of all the Bonds then Outstanding have requested the Trustee in writing to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name;

(c) said Owners have tendered to the Trustee indemnity reasonably acceptable to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request; and

(d) the Trustee has failed to comply with such request for a period of 60 days after such written request has been received by, and said tender of indemnity has been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of any remedy hereunder; it being understood and intended that no one or more Owners has any right in any manner whatever by his or their action to enforce any right under the Indenture, except in the manner herein provided, and that all proceedings at law or in equity to enforce any provision of the Indenture shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Owners of the Outstanding Bonds. The right of any Owner of any Bond to receive payment of the principal of and premium, if any, and interest on such Bond as herein provided, shall not be impaired or affected without the written consent of such Owner, notwithstanding any other provision of the Indenture.

Non-waiver. Nothing in the Indenture or in the Bonds, affects or impairs the obligation of the District, which is absolute and unconditional, to pay from any source of legally available funds of the District, the principal of and interest and redemption premium (if any) on the Bonds to the Bond Owners when due and payable as herein provided, or affects or impairs the right of action, which is also absolute and unconditional, of the Bond Owners to institute suit to enforce such payment by virtue of the contract embodied in the Bonds. A waiver of any default by any Owner does not affect any subsequent default or impair any rights or remedies on the subsequent default. No delay or omission of the Bond Owner or any Owner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy conferred upon the Owners by the Bond Law or by the Indenture may be enforced and exercised from time to time and as often as shall be deemed expedient by the Bond Owners. If a suit, action or proceeding to enforce any right or exercise any remedy is abandoned or determined adversely to the Bond Owners, the District and the Bond Owners will be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

Actions by Trustee as Attorney-in-Fact. Any suit, action or proceeding which any Owner has the right to bring to enforce any right or remedy hereunder may be brought by the Trustee for the equal benefit and protection of all Owners similarly situated and the Trustee is hereby appointed (and the successive respective Owners by taking and holding the Bonds shall be conclusively deemed so to have appointed it) the true and lawful attorney-in-fact of the respective Owners for the purpose of bringing any such suit, action or proceeding and to do and perform any and all acts and things for and on behalf of the respective Owners as a class or classes, as may be necessary or advisable in the opinion of the Trustee as such attorney-in-fact, subject to the provisions of the Indenture. Notwithstanding the foregoing provisions of the Indenture, the Trustee has no duty to enforce any such right or remedy unless it has been indemnified to its satisfaction for any additional fees, charges and expenses of the Trustee related thereto, including without limitation, fees and charges of its attorneys and advisors.

Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Owners is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by the Bond Law or any other law.

Defeasance

If the District pays and discharges the entire indebtedness on any Bonds in any one or more of the following ways:

(a) by paying or causing to be paid the principal of and interest on such Bonds, as and when the same become due and payable;

(b) by irrevocably depositing with the Trustee or an escrow bank, in trust, at or before maturity, an amount of cash which, together with the available amounts then on deposit in the funds and accounts established under the Indenture, in the opinion or report of an Independent Accountant is fully sufficient to pay such Bonds, including all principal, interest and redemption premium, if any;

(c) by irrevocably depositing with the Trustee or an escrow bank, in trust, Federal Securities in such amount as an Independent Accountant determines will, together with the interest to accrue thereon and available moneys then on deposit in any of the funds and accounts established under the Indenture, be fully sufficient to pay and discharge the indebtedness on such Bonds (including all principal, interest and redemption premium, if any) at or before maturity; or

(d) by purchasing such Bonds prior to maturity and tendering such Bonds to the Trustee for cancellation;

and if such Bonds are to be redeemed prior to the maturity thereof notice of such redemption has been duly given or provision satisfactory to the Trustee has been made for the giving of such notice, then, at the election of the District, and notwithstanding that any such Bonds have not been surrendered for payment, all obligations of the Trustee and the District under the Indenture with respect to such Bonds shall cease and terminate, except only:

(a) the obligation of the Trustee to transfer and exchange Bonds hereunder,

(b) the obligation of the District to pay or cause to be paid to the Owners of such Bonds, from the amounts so deposited with the Trustee, all sums due thereon, and

(c) the obligations of the District to compensate and indemnify the Trustee.

The District must file notice of such election with the Trustee. The Trustee shall pay any funds thereafter held by it, which are not required for said purpose, to the District. In the case of a defeasance or payment of all of the Bonds Outstanding in accordance with the foregoing, the Trustee shall pay all amounts held by it in any funds or accounts hereunder, which are not required for said purpose or for payment of amounts due the Trustee, to the District.

Execution of Documents and Proof of Ownership by Owners. Any request, consent, declaration or other instrument which the Indenture may require or permit to be executed by any Owner may be in one or more instruments of similar tenor, and shall be executed by such Owner in person or by their attorneys appointed in writing. Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, consent, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. The ownership of Bonds and the amount, maturity, number and date of ownership thereof are conclusively proved by the Registration Books. Any request, declaration or other instrument or writing of the Owner of any Bond binds all future Owners of such Bond in respect of anything done or suffered to be done by the District or the Trustee in good faith and in accordance therewith.

Disqualified Bonds. In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under the Indenture, Bonds which are owned or held by or for the account of the District shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. The Trustee will not be deemed to have knowledge that any Bond is owned or held by the District unless the Trustee has received written notice.

Waiver of Personal Liability. No member, officer, agent or employee of the District is individually or personally liable for the payment of the principal of or interest or any premium on the Bonds. However, nothing contained herein relieves any such member, officer, agent or employee from the performance of any official duty provided by law.

Destruction of Canceled Bonds. Whenever in the Indenture provision is made for the surrender to the District of any Bonds which have been paid or canceled under the provisions of the Indenture, a certificate of destruction duly executed by the Trustee shall be deemed to be the equivalent of the surrender of such canceled Bonds and the District is entitled to rely upon any statement of fact contained in any certificate with respect to the destruction of any such Bonds therein referred to. The District will pay all costs of any microfilming of Bonds to be destroyed.

Unclaimed Moneys. Anything contained in the Indenture to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of the interest or premium (if any) on or principal of the Bonds which remains unclaimed for two years after the date when the payments of such interest, premium and principal have become payable, if such money was held by the Trustee at such date, or for two years after the date of deposit of such money if deposited with the Trustee after the date when the interest and premium (if any) on and principal of such Bonds have become payable, shall be repaid by the Trustee to the District as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Owners shall look only to the District for the payment of the principal of and interest and redemption premium (if any) on such Bonds.

APPENDIX C

PROPOSED FORM OF FINAL OPINION

[Closing Date]

Board of Directors
Livermore Area Recreation and Park District
4444 East Avenue
Livermore, CA 94550

OPINION: $_________ Livermore Area Recreation and Park District
2021 Taxable Pension Obligation Bonds

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance and delivery by the Livermore Area Recreation and Park District (the "District") of $________ aggregate principal amount of bonds of the District designated the "Livermore Area Recreation and Park District 2021 Taxable Pension Obligation Bonds" (the "Bonds"), issued under the provisions of Articles 10 and 11 (commencing with Section 53570) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Bond Law"), an Indenture of Trust dated as of June 1, 2021 (the "Indenture"), between the District and U.S. Bank National Association, as trustee. The Bonds have been issued to provide funds to prepay certain obligations of the District owed to Alameda County Employees' Retirement Association. We have examined the Bond Law, the Indenture and such certified proceedings and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the District contained in the Indenture and in the certified proceedings, opinions and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, that:

1. The District is a recreation and park district duly organized and existing under the laws of the State of California, with power to enter into the Indenture and perform the agreements on its part contained therein, and to issue the Bonds.

2. The Bonds constitute legal, valid and binding obligations of the District enforceable in accordance with their terms and payable solely from the sources provided therefor in the Indenture.

3. The Indenture has been duly authorized, executed and delivered by the District and constitutes a legal, valid and binding obligation of the District enforceable against the District in accordance with its terms.

4. Interest on the Bonds is exempt from personal income taxation imposed by the State of California.

We express no opinion regarding any other tax consequences arising with respect to the ownership, sale or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

The rights of the owners of the Bonds and the enforceability of the Indenture are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur. Our engagement with respect to this matter has terminated as of the date hereof.

Respectfully submitted,

A Professional Law Corporation

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

$______________
LIVERMORE AREA RECREATION AND PARK DISTRICT
2021 TAXABLE PENSION OBLIGATION BONDS

This CONTINUING DISCLOSURE CERTIFICATE (this "Disclosure Certificate") is executed and delivered by the LIVERMORE AREA RECREATION AND PARK DISTRICT (the "District") in connection with the execution and delivery of the bonds captioned above (the "Bonds"). The Bonds are being executed and delivered pursuant to an Indenture of Trust, dated as of June 1, 2021 (the "Indenture"), by and between the District and U.S. Bank National Association, as trustee.

The District covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule..

Section 2. Definitions. In addition to the definitions set forth above, and the definitions in the Trust Agreement and in the Installment Sale Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section 2, the following capitalized terms shall have the following meanings:

"*Annual Report*" means any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"*Annual Report Date*" means the date that is nine months after the end of the District's fiscal year (being March 31 based on the District's current fiscal year end of June 30).

"*Dissemination Agent*" means initially Willdan Financial Services, or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

"*Listed Events*" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"*MSRB*" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

"*Official Statement*" means the final official statement executed by the District in connection with the issuance of the Bonds.

"*Participating Underwriter*" means the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"*Rule*" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as it may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 31, 2022, with the report for Fiscal Year 2020-21, provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 Business Days prior to the Annual Report Date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the District) has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to determine if the District is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the District's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b). The District shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the District hereunder.

(b) If the District does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the District shall provide (or cause the Dissemination Agent to provide) a notice to the MSRB in a timely manner, in an electronic format as prescribed by the MSRB.

(c) With respect to each Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the District, file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The District's Annual Report shall contain or incorporate by reference the following:

(a) The District's audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Unless otherwise provided in the audited financial statements filed on or before the Annual Report Date, financial information and operating data with respect to the District for the most recently completed fiscal year (or other time period specified), as follows:

(1) The outstanding principal amount of the Bonds as of June 30.

(2) General Fund Budget for the then-current fiscal year.

(3) Operating Revenues, Expenses and Changes in Fund Balance for the most recently completed fiscal year, substantially in the form of Table 2.

(4) History of assessed valuation of property in the District in substantially the form of Table 4.

(5) Top property taxpayers in the District in substantially the form of Table 7.

(c) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission. The District shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) The District shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds:

(1) Principal and interest payment delinquencies.

(2) Non-payment related defaults, if material.

(3) Unscheduled draws on debt service reserves reflecting financial difficulties.

(4) Unscheduled draws on credit enhancements reflecting financial difficulties.

(5) Substitution of credit or liquidity providers, or their failure to perform.

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.

(7) Modifications to rights of security holders, if material.

(8) Bond calls, if material, and tender offers.

(9) Defeasances.

(10) Release, substitution, or sale of property securing repayment of the securities, if material.

(11) Rating changes.

(12) Bankruptcy, insolvency, receivership or similar event of the District or other obligated person.

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

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(15) Incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, if material (for the definition of "financial obligation," see clause (e) below).

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties (for the definition of "financial obligation," see clause (e) below).

(b) Whenever the District obtains knowledge of the occurrence of a Listed Event, the District shall, or shall cause the Dissemination Agent (if not the District) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bond holders.

(c) The District acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a Bond call), (a)(10), (a)(13), (a)(14) and (a)(15) of this Section 5 contain the qualifier "if material" and that subparagraph (a)(6) also contains the qualifier "material" with respect to certain notices, determinations or other events affecting the tax status of the Bonds. The District shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event's occurrence is material for purposes of U.S. federal securities law. Whenever the District obtains knowledge of the occurrence of any of these Listed Events, the District will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the District will cause a notice to be filed as set forth in paragraph (b) above.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

(e) For purposes of Section 5(a)(15) and 5(a)(16), "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior prepayment or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

Section 8. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. A Dissemination Agent may resign by providing 30 days' written notice to the District.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized Special Counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Trust Agreement for amendments to the Trust

Agreement with the consent of holders, or (ii) does not, in the opinion of nationally recognized Special Counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first Annual Report filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to this Disclosure Certificate modifying the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative.

A notice of any amendment made pursuant to this Section 9 shall be filed in the same manner as for a Listed Event under Section 5(b).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. If the District fails to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Trust Agreement, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. (a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have no duty or obligation to review any information provided to it by the District hereunder and shall not be deemed to be acting in any fiduciary capacity for the District, the Bond holders or any other party. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(b) The Dissemination Agent shall be paid compensation by the District for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and the holders and beneficial owners from time to time of the Bonds and shall create no rights in any other person or entity.

Section 14. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be regarded as an original, and all of which shall constitute one and the same instrument.

Date: ____________ ____, 2021

LIVERMORE AREA RECREATION AND PARK DISTRICT

By: ________________________________

Name: ______________________________

Title: _______________________________

ACCEPTANCE OF DUTIES
AS DISSEMINATION AGENT:

WILLDAN FINANCIAL SERVICES

By ________________________________
Authorized Officer

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APPENDIX E

INFORMATION REGARDING THE CITY OF LIVERMORE AND THE COUNTY OF ALAMEDA

This appendix contains certain statistical and demographic information regarding the City of Livermore ("City"), County of Alameda ("County") and State of California ("State"). The Bonds are not an obligation of the City, County, State or any of its political subdivisions (other than the District), and are solely payable from legally available funds of the District, as described in this Official Statement.

General

The City. The City is a general law city with a council manager form of government, which was incorporated on April 1, 1876. It comprises approximately 24.72 square miles and is located in southeastern Alameda County, approximately 43 miles southeast of San Francisco and 30 miles southeast of Oakland. The City is part of the rapidly developing Tri-Valley area which contains the cities of Pleasanton, Livermore, Dublin and San Ramon and has a total estimated January 1, 2019 population of 320,065.

The primary industry in the City is research and development. There are approximately 4,500 acres zoned for research and development and light/heavy industry, including 49 industrial parks with over 19 million square feet of industrial space. The City is also home to two national laboratories: Lawrence Livermore National Laboratory and Sandia National Laboratories, and the Livermore Municipal Airport.

The City was originally a rural community and still has many agricultural activities occurring in its sphere of influence, including ranching uses and a significant wine industry. The Livermore Valley Wine Country in and around the City covers over 5,000 acres, and is one of California's oldest wine regions and home to over three dozen wineries, many with more than 50 tasting rooms and visitor centers. The region is also a developing golf destination with the PGA and LPGA choosing the Tri-Valley as one of their Nationwide Tournament hosts.

The County. The County is located on the east side of the San Francisco Bay, south of the City of Oakland and approximately ten miles west of the City of San Francisco. Access to San Francisco is provided by the San Francisco Bay Bridge, AC Transit and Bay Area Rapid Transit (BART).

The northern part of the County has direct access to San Francisco Bay and the City of San Francisco. It is highly diversified with residential areas, as well as traditional heavy industry, the University of California at Berkeley, the Port of Oakland, and sophisticated manufacturing, computer services and biotechnology firms. The middle of the County is also highly developed including older established residential and industrial areas.

The southeastern corner of the County has seen strong growth in residential development and manufacturing. Many high-tech firms have moved from neighboring Silicon Valley in Santa Clara County to this area. The southwestern corner of the County has seen the most development in recent years due to land availability. Agriculture and the rural characteristics of this area are disappearing as the region maintains its position as the fastest growing residential, commercial and industrial part of the County.

Population

The following table lists population estimates for the City, the County and the State of California for the last five calendar years, as of January 1.

CITY OF LIVERMORE, COUNTY OF ALAMEDA
AND STATE OF CALIFORNIA
Population Estimates
Calendar Years 2017 through 2021 as of January 1

Year	City of Livermore	Alameda County	State of California
2017	89,877	1,644,303	39,500,973
2018	90,392	1,651,760	39,740,508
2019	90,769	1,659,608	39,927,315
2020	91,082	1,663,114	39,648,938
2021	91,216	1,656,591	39,466,855

Source: State Department of Finance estimates (as of January 1).

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Employment and Industry

The District is included in the Oakland-Hayward-Berkeley Metropolitan Division ("**MD**"). The unemployment rate in the Oakland-Hayward-Berkeley MD was 6.6 percent in March 2021, down from a revised 6.9 percent in February 2021, and above the year-ago estimate of 3.6 percent. This compares with an unadjusted unemployment rate of 8.2 percent for California and 6.2 percent for the nation during the same period. The unemployment rate was 6.5 percent in Alameda County and 6.8 percent in Contra Costa County.

The table below list employment by industry group for Alameda and Contra Costa Counties for the years 2016 to 2020.

OAKLAND-HAYWARD-BERKELEY MD
(Alameda and Contra Costa Counties)
Annual Averages Civilian Labor Force, Employment and Unemployment,
Employment by Industry
(March 2020 Benchmark)

	2016	2017	2018	2019	2020
Civilian Labor Force (1)	1,385,000	1,396,900	1,401,800	1,400,800	1,355,100
Employment	1,324,400	1,344,300	1,357,900	1,358,000	1,235,600
Unemployment	60,600	52,600	43,900	42,800	119,400
Unemployment Rate	4.4%	3.8%	3.1%	3.1%	8.8%
Wage and Salary Employment: (2)					
Agriculture	1,300	1,400	1,300	1,400	1,500
Mining and Logging	300	200	200	200	200
Construction	67,900	71,200	74,900	75,500	70,400
Manufacturing	91,300	95,700	100,600	101,000	98,200
Wholesale Trade	48,100	48,700	47,500	45,400	42,000
Retail Trade	113,400	114,400	114,400	111,700	100,500
Transportation, Warehousing, Utilities	39,700	41,300	42,300	43,700	45,100
Information	26,500	26,900	27,600	27,600	25,800
Finance and Insurance	38,900	38,900	37,500	37,200	36,000
Real Estate and Rental and Leasing	16,900	17,400	17,800	18,100	16,700
Professional and Business Services	181,100	184,500	189,500	193,200	184,600
Educational and Health Services	185,900	191,500	194,300	198,400	189,800
Leisure and Hospitality	111,700	114,900	117,700	121,000	84,100
Other Services	39,100	40,200	41,000	41,200	32,900
Federal Government	13,900	13,800	13,400	13,400	14,100
State Government	39,700	39,300	39,400	39,600	38,000
Local Government	119,800	121,500	121,800	121,800	113,800
Total, All Industries (3)	1,135,400	1,161,800	1,181,300	1,190,400	1,093,700

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(3) Totals may not add due to rounding.
Source: State of California Employment Development Department.

Major Employers

The table below lists the major employers in the County, listed alphabetically.

ALAMEDA COUNTY
Major Employers

Employer Name	Location	Industry
Alameda County Law Enforcement	Oakland	Government Offices-County
Alameda County Sheriff's Dept	San Leandro	Government Offices-County
Alameda County Sheriff's Ofc	Oakland	Sheriff
Alta Bates Summit Med Ctr Alta	Berkeley	Hospitals
BART	Oakland	Transportation
California State Univ East Bay	Hayward	Schools-Universities & Colleges Academic
Dell EMC	Pleasanton	Computer Storage Devices (mfrs)
East Bay Mud	Oakland	Water & Sewage Companies-Utility
Ebmud	Oakland	Utilities
Grifols Diagnostic Solutions	Emeryville	Pharmaceutical Research Laboratories
Highland Hospital	Oakland	Hospitals
Kaiser Permanente Oakland Med	Oakland	Hospitals
Lawerence Berkeley Lab	Berkeley	Laboratories-Research & Development
Lawrence Livermore Natl Lab	Livermore	University-College Dept/Facility/Office
Lifescan Inc	Fremont	Physicians & Surgeons Equip & Supls-Mfrs
Oakland Police Patrol Div	Oakland	Police Departments
Sanfrancisco Bayarea Rapid	Oakland	Transit Lines
Transportation Dept-California	Oakland	Government Offices-State
UCSF Benioff Children's Hosp	Oakland	Hospitals
University of CA Berkeley	Berkeley	Schools-Universities & Colleges Academic
University of CA-BERKELEY	Berkeley	University-College Dept/Facility/Office
University-Ca-Berkeley Dept	Berkeley	University-College Dept/Facility/Office
Valley Care Health System	Livermore	Health Services
Washington Hospital Healthcare	Fremont	Hospitals
Western Digital Corp	Fremont	Computer Storage Devices (mfrs)

Source: State of California Employment Development Department, extracted from the America's Labor Market Information System (ALMIS) Employer Database, 2021 1st Edition.

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Construction Activity

Provided below are the building permits and valuations for the County for calendar years 2013 through 2019. Data for calendar year 2020 are not yet available.

ALAMEDA COUNTY
Total Building Permit Valuations
(Valuations in Thousands)

	2013	2014	2015	2018	2019
Permit Valuation					
New Single-family	$451,279.5	$400,498.1	$576,948.5	$689,530.0	$675,129.8
New Multi-family	300,514.9	392,331.4	456,361.3	1,431,985.0	782.536.4
Res. Alterations/Additions	227,675.7	325,493.9	344,975.9	469,158.5	512,409.9
Total Residential	979,470.2	1,118,323.4	1,378,285.7	2,590,673.5	1,188,322.6
New Commercial	122,360.6	175,958.9	187,303.4	551,547.4	718,569.0
New Industrial	140,059.5	102,926.6	92,470.2	302,121.2	5,638.5
New Other	49,801.8	147,944.7	193,029.9	89,686.1	78,049.8
Com. Alterations/Additions	364,237.6	599,941.3	673,633.6	819,040.7	992,668.1
Total Nonresidential	$676,459.5	$1,026,771.5	$1,146,437.1	$1,762,395.4	$1,794,925.4
New Dwelling Units					
Single Family	1,339	1,076	1,671	1,867	1,871.0
Multiple Family	2,023	2,048	3,370	6,540	59.0
TOTAL	3,362	3,124	5,041	8,407	1,930.0

Source: Construction Industry Research Board, Building Permit Summary.

Effective Buying Income

"Effective Buying Income" is defined as personal income less personal tax and nontax payments, a number often referred to as "disposable" or "after-tax" income. Personal income is the aggregate of wages and salaries, other labor-related income (such as employer contributions to private pension funds), proprietor's income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), nontax payments (fines, fees, penalties, etc.) and personal contributions to social insurance. According to U.S. government definitions, the resultant figure is commonly known as "disposable personal income."

The following table summarizes the median household effective buying income for the County, the State and the United States for the period 2017 through 2021.

ALAMEDA COUNTY
Effective Buying Income
Median Household
As of January 1, 2017 Through 2021

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2017	Alameda County	61,987,949	73,633
	California	1,113,648,181	59,646
	United States	8,640,770,229	50,735
2018	Alameda County	61,987,949	73,633
	California	1,113,648,181	59,646
	United States	8,640,770,229	50,735
2019	Alameda County	67,609,653	79,446
	California	1,183,264,399	62,637
	United States	9,017,967,563	52,841
2020	Alameda County	72,243,436	84,435
	California	1,243,564,816	65,870
	United States	9,487,165,436	55,303
2021	Alameda County	77,794,202	88,389
	California	1,290,894,604	67,956
	United States	9,809,944,764	56,790

Source: *The Nielsen Company (US), Inc.*

Taxable Transactions

Summaries of historic taxable sales within the County during the past five years in which data is available are shown in the following tables. Annual figures are not yet available for 2020.

Total taxable transactions during the first, three quarters of calendar year 2020 in the County were reported to be $22,996,731,979, a 21.19% decrease in total taxable transactions of $25,565,366,706 reported during the first, three quarters of calendar year 2019.

ALAMEDA COUNTY
Taxable Transactions
Number of Permits and Valuation of Taxable Transactions
(Valuations in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2015	17,260	18,702,806	45,197	29,770,157
2016	27,273	19,386,688	44,799	30,958,480
2017	27,431	20,561,252	45,232	32,476,174
2018	27,816	22,857,349	47,402	35,073,302
2019	28,375	21,882,886	49,197	35,040,749

Source: State Board of Equalization. Taxable Sales in California (Sales & Use Tax) for years 2015-2016. State Department of Tax and Fee Administration for year 2017 through 2019.

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APPENDIX F

BOOK ENTRY PROVISIONS

The following description of the Depository Trust Company ("DTC"), the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, interest and other payments on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters but should instead confirm the same with DTC or the DTC Participants, as the case may be.

Neither the District, as the issuer of the Bonds (the "Issuer"), nor the Trustee appointed for the Bonds (the "Agent") take any responsibility for the information contained in this Appendix.

No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

1. The Depository Trust Company ("DTC") will act as securities depository for the Bonds (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is

a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org. *The information contained on this Internet site is not incorporated herein by reference.*

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, security certificates are required to be printed and delivered.

10. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, security certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

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LIVERMORE AREA RECREATION AND PARK DISTRICT 2021 TAXABLE PENSION OBLIGATION BONDS

LIVERMORE AREA RECREATION & PARK DISTRICT

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Product group from well managed forests, controlled sources and recycled wood or fiber.

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