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## OFFICIAL STATEMENT

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### **NEW ISSUE BOOK-ENTRY ONLY**

**Underlying Note Rating:** S&P Global Ratings “A” (negative outlook)  
**Insured Note Rating:** S&P Global Ratings “AA” (stable outlook) (BAM insured)  
(See “NOTE RATINGS” herein.)

*In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings, and court decisions, interest on the Notes is excluded from gross income for Federal income tax purposes. Note Counsel is also of the opinion that interest on the Notes is not a specific item of tax preference under §57 of the Internal Revenue Code of 1986, as amended (the “Code”) for purposes of Federal alternative minimum taxes on individuals. The Notes, and interest income therefrom, are free from taxation for purposes of personal and corporate net income taxes within the Commonwealth of Pennsylvania. (See “TAX MATTERS” herein.)*

*The County has designated the Notes as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code (relating to the deductibility of interest expenses by certain financial institutions).*

**\$5,250,000**  
**COUNTY OF GREENE**  
**(Commonwealth of Pennsylvania)**  
**General Obligation Notes, Series of 2021**

**DATED:** Date of Delivery  
**DUE:** March 1, as shown herein

**INTEREST PAYABLE:** March 1 and September 1  
**FIRST INTEREST PAYMENT:** September 1, 2021

**PAYMENT OF PRINCIPAL AND INTEREST:** The General Obligation Notes, Series of 2021 in the principal amount of \$5,250,000 (the “Notes”) of the County of Greene, Pennsylvania (the “County”), are issuable only in fully registered form, without coupons and when issued, will be registered in the name of CEDE & CO., as nominee for The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository for the Notes. Beneficial ownership interests in the Notes will be recorded in book-entry only form in denominations of \$5,000, or any integral multiple thereof. Principal of and interest on the Notes are payable directly to CEDE & CO. for redistribution to DTC participants (“DTC Participants”) and in turn to Beneficial Owners as described herein. Interest will be payable on March 1 and September 1 of each year that the Notes are outstanding, commencing on September 1, 2021. Purchasers will not receive physical delivery of certificates representing their ownership interests in the Notes purchased. For so long as any purchaser is the Beneficial Owner of a Note, such purchaser must maintain an account with a broker or dealer who is, or acts through, a DTC Participant to receive payment of the principal of and interest on such Notes. (See “THE NOTES – Book-Entry Only System” herein.)

**REDEMPTION:** The Notes are subject to optional and mandatory redemption prior to their stated maturity dates, as provided herein.

**SECURITY FOR THE NOTES:** The Notes are general obligations of the County, and the full faith, credit and taxing power of the County has been pledged for the payment of the principal of and interest on the Notes, when due. The County has established a sinking fund for the Notes (as described herein) into which monies sufficient for payment of the principal of and interest on the Notes will be deposited not later than the date fixed for the disbursement thereof. The Notes are payable from the general revenues of the County, which on the date of issuance include, *inter alia*, the revenues derived from unlimited *ad valorem* taxes which may be levied on all taxable real estate within the County. (See the section herein titled “THE COUNTY – Taxing Power.”)

The scheduled payment of principal of and interest on the Notes when due, will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Notes by Build America Mutual Assurance Company (“BAM”).



**AUTHORIZATION FOR ISSUANCE:** The Notes are being issued in accordance with the Local Government Unit Debt Act, as amended (the “Act”) of the Commonwealth of Pennsylvania, 53 Pa. C.S.A. §8001 et seq., as amended, with the approval of the Pennsylvania Department of Community and Economic Development and pursuant to an Ordinance duly enacted by the Board of Commissioners on December 17, 2020 (the “Ordinance”).

**USE OF PROCEEDS:** Proceeds from the sale of the Notes will be used to: (i) refund, on a current refunding basis, the County’s General Obligation Bonds, Series of 2016; and (ii) pay the costs of issuing the Notes. (See “USE OF PROCEEDS” herein.)

**NOTEHOLDER’S RISKS:** An investment in the Notes involves risk. Prospective investors should read the entire Official Statement, and in particular the sections “SECURITY FOR THE NOTES” and “INVESTMENT CONSIDERATIONS” before deciding to purchase the Notes.

**CONTINUING DISCLOSURE UNDERTAKING:** The County has agreed to provide, or cause to be provided, in a timely manner, certain information in accordance with the requirements of Rule 15c2-12, as promulgated under the Securities Exchange Act of 1934, as amended and interpreted (the “Rule”). (See “CONTINUING DISCLOSURE UNDERTAKING” herein.)

**LEGAL APPROVALS:** *The Notes are offered when, as and if issued by the County and received by the Underwriter, subject to prior sale and subject to the receipt of the approving legal opinion to be issued by Dinsmore & Shohl LLP, Pittsburgh, Pennsylvania, Note Counsel. Certain additional matters will be passed upon for the County by its Counsel, Robert Eugene Grimm, Esq., Waynesburg, Pennsylvania. The Notes are expected to be available for delivery on February 10, 2021 in New York, New York.*

**REGISTRATION OF NOTES:** Information concerning the Notes has been furnished to The Depository Trust Company, New York, New York (“DTC”). It is expected that the Notes will initially be registered in the name of DTC’s nominee, CEDE & Co., New York, New York. (See “Book-Entry-Only System” herein.)



The date of this Official Statement is January 6, 2021.

**\$5,250,000**  
**COUNTY OF GREENE**  
**(Commonwealth of Pennsylvania)**  
**General Obligation Notes, Series of 2021**

**DATED:** Date of Delivery  
**PRINCIPAL DUE:** March 1, as shown below

**INTEREST PAYABLE:** March 1 and September 1  
**FIRST INTEREST PAYMENT:** September 1, 2021

**MATURITY SCHEDULE**

<b>Year</b> <b><u>(March 1)</u></b>	<b>Principal</b> <b><u>Amount</u></b>	<b>Interest</b> <b><u>Rate</u></b>	<b><u>Yield</u></b>	<b><u>Price</u></b> <sup>(1)</sup>	<b><u>CUSIPs</u></b> <sup>(2)</sup>
2023 <sup>(3)</sup>	\$860,000	3.000%	0.430%	105.260%	394660ER1
2024	885,000	4.000	0.500	110.609	394660ES9
2025	920,000	4.000	0.600	113.611	394660ET7
2026	955,000	4.000	0.750	116.101	394660EU4
2027	985,000	2.000	0.900	105.427 <sup>(4)</sup>	394660EV2
2028	645,000	2.000	1.050	104.667 <sup>(4)</sup>	394660EW0

(1) Based on expected settlement date of February 10, 2021, unless otherwise noted.

(2) The above CUSIP (Committee on Uniform Securities Identification Procedures) numbers have been assigned by an organization not affiliated with the County or the Underwriter, and such parties are not responsible for the selection or use of the CUSIP numbers. The CUSIP numbers are included solely for the convenience of noteholders and no representation is made as to the correctness of such CUSIP numbers. CUSIP numbers assigned to securities may be changed during the term of such securities based on a number of factors including, but not limited to, the refundings or defeasance of such issue or the use of secondary market financial products. Neither the County nor the Underwriter have agreed to, and there is no duty or obligation to, update this Official Statement to reflect any change or correction in the CUSIP numbers set forth above.

(3) Term Note.

(4) Based on first optional redemption date of March 1, 2026.

**COUNTY OF GREENE**  
(Commonwealth of Pennsylvania)  
93 East High Street  
Waynesburg, Pennsylvania 15370

**COUNTY COMMISSIONERS**

<u><b>Name</b></u>	<u><b>Position</b></u>	<u><b>Term Expiration Date</b></u>
Michael Belding	Chairman	December 31, 2023
Elizabeth McClure	Vice Chairman	December 31, 2023
Blair Zimmerman	Commissioner	December 31, 2023

**COUNTY OFFICIALS**

Jeff Marshall	Chief Clerk
Lou Dayich	President Judge
Cory L. Grandel	Treasurer
Ami Cree	Controller
Susan White	Prothonotary
Donna Tharp	Register & Recorder
Sherry Wise	Clerk of Courts
Marcus Simms	Sheriff
David Russo	District Attorney
Harry J. Cancelmi, Jr.	Public Defender
Gene Rush	Coroner
Richard Cleveland	Executive Director, Development
Marcy Maletta	Human Services Fiscal Officer
Bret Moore	Recreation Director
Scott Kelley	Chief Financial Officer
Judy Snyder	Election/Budget Director
Mary Ann Lewis	Chief Assessor

**SOLICITOR**

Robert Eugene Grimm, Esquire  
Waynesburg, Pennsylvania

**BOND COUNSEL**

Dinsmore & Shohl LLP  
Pittsburgh, Pennsylvania

**PAYING AGENT/REDEMPTION AGENT**

U.S. Bank National Association  
Pittsburgh, Pennsylvania

**UNDERWRITER**

PNC Capital Markets LLC  
Pittsburgh, Pennsylvania

## SUMMARY STATEMENT

This Summary Statement is subject in all respects to more complete information set forth in this Official Statement. No person is authorized to detach this Summary Statement from this Official Statement or to otherwise use it without the entire Official Statement.

<b>Issuer</b> .....	County of Greene, Commonwealth of Pennsylvania.
<b>The Notes</b> .....	\$5,250,000 principal amount, General Obligation Notes, Series of 2021 (the “Notes”). The Notes are initially dated as of the date of delivery, and will mature as shown in the <b>MATURITY SCHEDULE</b> shown on the inside of the Cover Page of this Official Statement. Interest on the Notes will begin to accrue on the date of delivery, and is payable initially on September 1, 2021, and on each March 1 and September 1 thereafter. (See “ <b>DESCRIPTION OF THE NOTES</b> ” herein.)
<b>Redemption Provisions</b> .....	The Notes are subject to optional and mandatory redemption prior to their stated maturity dates, as provided herein. (See “ <b>REDEMPTION OF NOTES</b> ” herein.)
<b>Security for the Notes</b> .....	The Notes are general obligations of the County for the payment of which the County has irrevocably pledged its full faith, credit and taxing power.
<b>Credit Enhancement</b> .....	The scheduled payment of principal of and interest on the Notes when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Notes by Build America Mutual Assurance Company (“BAM” or the “Insurer”). (See “ <b>BOND INSURANCE</b> ” herein.)
<b>Form of Notes</b> .....	Book-Entry Only
<b>Application of Proceeds</b> .....	Proceeds from the sale of the Notes will be used to: (i) refund, on a current refunding basis, the County’s General Obligation Bonds, Series of 2016; and (ii) pay the costs of issuing the Notes.
<b>Note Ratings</b> .....	The Notes are expected to receive a credit rating of “AA” (stable outlook) from S&P Global Ratings, New York, New York (“S&P”) with the understanding that the above-described municipal bond insurance policy will be issued at the time of settlement of the Notes. The Notes have received an underlying credit rating of “A” (negative outlook) from S&P. (See “ <b>NOTE RATINGS</b> ” herein.)
<b>Continuing Disclosure Undertaking</b> .....	The County has agreed to provide, or cause to be provided, in a timely manner, certain information in accordance with the requirements of Rule 15c2-12, as promulgated under the Securities Exchange Act of 1934, as amended and interpreted (the “Rule”). (See “ <b>CONTINUING DISCLOSURE UNDERTAKING</b> ” herein.)

No dealer, broker or any other person has been authorized by the County to give any information or make any representation, other than those contained in this Official Statement, and if given or made, such other information and representation must not be relied upon. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy, nor shall there be any sale of the Notes in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. The information set forth herein has been obtained from the County and from other sources which are believed to be reliable, but the County does not guarantee the accuracy or completeness of information from sources other than the County. PNC Capital Markets LLC, Pittsburgh, Pennsylvania as the Underwriter (the "Underwriter"), has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with and as part of its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guaranty the accuracy or completeness of such information, which has been obtained from either the County or from sources other than the County. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement, nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in any of the information set forth herein since the date hereof.

The quotations from and summaries and explanation of provisions of laws and documents contained herein, including the cover page, inside cover page and Appendices attached hereto, do not purport to be complete. Reference is made to such laws and documents for full and complete statements of their provisions. Any statements made in this Official Statement involving estimates or matters of opinion, whether or not expressly so stated, are intended merely as estimates or opinions and not as representations of fact.

If and when included in this Official Statement, the words "expects," "forecasts," "projects," "intends," "anticipates," "estimates," "assumes," and analogous expressions are intended to identify forward-looking statements, and any such statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those that have been projected.

THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES ATTACHED HERETO AND INFORMATION INCORPORATED HEREIN BY REFERENCE, ARE NOT TO BE DEEMED TO BE A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES HERETO AND INFORMATION INCORPORATED HEREIN BY REFERENCE, MUST BE CONSIDERED IN ITS ENTIRETY. THE OFFERING OF THE NOTES IS MADE ONLY BY MEANS OF THIS ENTIRE OFFICIAL STATEMENT.

IN MAKING ANY INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE NOTES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The Underwriter may offer and sell the notes to certain dealers (including dealers depositing the notes into investment trust(s)) and others at prices lower than the public offering prices stated on the inside front cover hereof.

In connection with the offering of the Notes, the underwriter may over allot or effect transactions that stabilize or maintain the market price of such notes at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

The Notes have not been registered with the Securities and Exchange Commission under the Securities Act of 1933, as amended, nor has the Ordinance been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such acts. The registration or qualification of the Notes or the Ordinance in accordance with applicable provisions of the securities laws of certain states, if any, in which the notes have been registered or qualified and the exemption from registration or qualification in certain other states cannot be regarded as a recommendation thereof. Neither these states nor any of their agencies have passed upon the merits of the Notes or the accuracy or completeness of this Official Statement. Any representation to the contrary may be a criminal offense.

Build America Mutual Assurance Company ("BAM" or the "Insurer") makes no representation regarding the Notes or the advisability of investing in the Notes. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE" and APPENDIX F, "Specimen Municipal Bond Insurance Policy."

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**This Table of Contents does not list all of the subjects in this Official Statement. In all instances, reference should be made to the complete Official Statement to determine the subjects set forth herein.**

## OFFICIAL STATEMENT

**\$5,250,000**  
**COUNTY OF GREENE**  
**(Commonwealth of Pennsylvania)**  
**General Obligation Notes, Series of 2021**

### INTRODUCTORY STATEMENT

This Official Statement, including the Cover Page hereof and the Appendices hereto, is furnished in connection with the offering by the County of Greene, Pennsylvania (the "County") of \$5,250,000 principal amount, General Obligation Notes, Series of 2021 (the "Notes"). The Notes are authorized to be issued pursuant to the provisions of the Pennsylvania Local Government Unit Debt Act, 53 Pa. C.S.A. §8001 et. seq., as amended (the "Act"), and are described in, and are being issued pursuant to the provisions of, an Ordinance of the Board of Commissioners enacted December 17, 2020 (the "Ordinance").

The approval of the Department of Community and Economic Development of the Commonwealth of Pennsylvania (the "Commonwealth") for the County to issue and deliver the Notes will have been duly given pursuant to the Act; all acts, conditions and things required by the laws of the Commonwealth to exist, to have happened or to have been performed precedent to or in the issuance of the Notes or in the creation of the debt of which any Note is evidence, exist, will have happened, and will have been performed in regular and due form and manner as required by law; the Notes, together with all other indebtedness of the County, will be within every debt and other limit prescribed by the Constitution and the statutes of the Commonwealth; and the County will have established with U.S. Bank National Association, Pittsburgh, Pennsylvania, or its designee, as the paying agent, transfer agent, note registrar, and sinking fund depository for the Notes, a Sinking Fund for the Notes, as defined herein, and shall deposit therein amounts sufficient to pay the principal of and interest on the Notes as the same shall become due and payable. (See **"DESCRIPTION OF THE NOTES - Paying Agent, Transfer Agent, Note Registrar, and Sinking Fund Depository"** and **"THE PAYING AGENT"** herein.)

### DESCRIPTION OF THE NOTES

The Notes will be issued as fully registered notes without coupons in denominations of \$5,000 or any integral multiple thereof. The Notes will be initially dated as of the date of delivery and will bear interest on the unpaid principal at the rates and mature in the amounts and on the dates listed in the Maturity Schedule shown on the inside cover page of this Official Statement. While the Notes are in the Book-Entry Only System, references to the "Owner" or "Registered Note Owner" as described herein are to CEDE & Co., as nominee of DTC. Each beneficial owner of a Note may desire to make arrangements with a DTC Participant to receive notices or communications with respect to matters described herein. (See **"Book-Entry Only System"** herein.)

Interest on the Notes shall be computed on the basis of a 30-day month and 360-day year and shall be payable semiannually on March 1 and September 1 of each year, commencing on September 1, 2021 (the "Interest Payment Dates"). If an Interest Payment Date occurs on a day which is not a Business Day (a "Business Day" is any day other than a Saturday, Sunday, legal holiday or a day on which financial institutions in the Commonwealth of Pennsylvania are authorized by law to be closed) the interest on and principal of the Notes coming due on such Interest Payment Date shall be payable on the next succeeding Business Day without any additional accrual of interest.

Each Note will be dated as of its date of authentication and will bear interest from the immediately preceding Interest Payment Date to which interest has been paid, unless: (i) such note is authenticated on an Interest Payment Date to which interest has been paid, in which case it shall bear interest from such Interest Payment Date; or (ii) such Note is authenticated on or prior to the first Regular Record Date (hereinafter defined) after the issue date, in which event it shall bear interest from the dated date; or (iii) such Note is authenticated after a Regular Record Date and before the next succeeding Interest Payment Date on which interest is in fact paid, in which case such Note will bear interest from such next succeeding Interest Payment Date.

So long as the Notes or any portion thereof are registered in the name of DTC or its nominee, payments thereon shall be made to DTC or its nominee. (See **"Book-Entry-Only System"** herein.) At all other times, the principal of and interest on the Notes shall be payable at the designated office of U.S. Bank National Association, as Paying Agent (the "Paying Agent"), in such coin or currency of the United States of America as at the time and place of payment is legal tender for public and private debts, provided that interest may be paid by check drawn upon the Paying Agent and mailed to the persons in whose names the Notes are registered at the close of business on the fifteenth day of the month immediately preceding the relevant Interest Payment Date (the "Regular Record Date") at the addresses shown on the registration records for the Notes (the "Note Register") kept by the Paying Agent. Persons designated in the Note Register as owning Notes are hereinafter referred to as "Registered Note Owners".

Notwithstanding the foregoing, if and to the extent there shall be a default in the payment of interest due on an Interest Payment Date, such defaulted interest shall be paid on a special payment date to the Registered Note Owners in whose names the Notes are registered at the close of business on a special record date (the “Special Record Date” and together with the Regular Record Date, the “Record Date”) established by notice mailed to the Registered Note Owners not less than ten (10) days prior to such Special Record Date.

### **Registration, Transfer and Exchange of Notes**

The Paying Agent is responsible for maintaining the books of the County pertaining to the registration of ownership of each Note. The ownership of Notes may be transferred upon the registration books upon delivery to the Paying Agent or its designee, of a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Paying Agent or its designee, duly executed by the registered holder of the Notes to be transferred or his duly authorized attorney-in-fact or legal representative, subject to such reasonable regulations as the County or the Paying Agent or its designee may prescribe, and upon payment of any taxes or other governmental charges incident to such transfer. No transfer of any Note will be effective until entered on the registration books.

Neither the County nor the Paying Agent or its designee shall be required (a) to register the transfer of or to exchange any Notes then considered for redemption, during a period beginning at the close of business on the fifteenth day next preceding any date of selection of Notes to be redeemed and ending at the close of business on the day on which the applicable notice of redemption is mailed, (b) to register the transfer of or to exchange any portion of any Note selected for redemption in whole or in part until after the redemption date, or (c) to register the transfer of or to exchange any Note during the period beginning at the close of business on the fifteenth day preceding the date of maturity on the Note and ending at the close of business on the date of maturity.

### **Book-Entry-Only System**

**The information set forth below concerning The Depository Trust Company (“DTC”) and the book-entry only system has been extracted from materials provided by DTC for such purpose. No representation is made by the County or the Underwriter as to the accuracy of such information provided by DTC or as to the absence of material adverse changes in such information subsequent to the date hereof.**

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Notes. The Notes 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 Note certificate will be issued for each maturity of the Notes set forth on the inside front cover page of this Official Statement, each in the aggregate principal amount of such maturity and will be deposited with DTC.

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 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 the DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC’s records. The ownership interest of each actual purchaser of each Note (“**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 Notes 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 the Notes, except in the event that use of the book-entry only system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes 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 Notes 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 Notes. DTC’s records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by DTC to



Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Notes may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Note documents. For example, Beneficial Owners of Notes may wish to ascertain that the nominee holding the Notes 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 the notices be provided directly to them.

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

Neither DTC nor CEDE & Co. (nor any other DTC nominee) will consent or vote with respect to the Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County 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 such notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and payments of principal of and interest on the Notes will be made to CEDE & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the County or Paying Agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Redemption proceeds and payment of principal and interest to CEDE & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC and disbursement of such payments to the Beneficial Owners will be the responsibility of the Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the County or the Paying Agent. Under such circumstances, in the event that a successor depository is either not required under the Ordinance or not obtained, Note certificates are required to be printed and delivered in accordance with the Ordinance.

The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or successor securities depository). In that event Note certificates will be printed and delivered to DTC.

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

NEITHER THE COUNTY NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, BENEFICIAL OWNERS OR OTHER NOMINEES OF SUCH BENEFICIAL OWNERS FOR (1) SENDING TRANSACTION STATEMENTS; (2) MAINTAINING, SUPERVISING OR REVIEWING, OR THE ACCURACY OF, ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT OR OTHER NOMINEES OF SUCH BENEFICIAL OWNERS; (3) PAYMENT OR THE TIMELINESS OF PAYMENT BY DTC TO ANY PARTICIPANT, OR BY ANY PARTICIPANT OR OTHER NOMINEES OF BENEFICIAL OWNERS TO ANY BENEFICIAL OWNER, OF ANY AMOUNT DUE IN RESPECT OF THE PRINCIPAL OF OR REDEMPTION PREMIUM, IF ANY, OR INTEREST ON BOOK-ENTRY NOTES; (4) DELIVERY OR TIMELY DELIVERY BY DTC TO ANY PARTICIPANT, OR BY ANY PARTICIPANT OR OTHER NOMINEES OF BENEFICIAL OWNERS TO ANY BENEFICIAL OWNERS, OF ANY NOTICE (INCLUDING NOTICE OF REDEMPTION) OR OTHER COMMUNICATION WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE ORDINANCE TO BE GIVEN HOLDERS OR OWNERS OF BOOK-ENTRY NOTES; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF BOOK-ENTRY NOTES; OR (6) ANY ACTION TAKEN BY DTC OR ITS NOMINEE AS THE REGISTERED OWNER OF BOOK-ENTRY NOTES.

#### **Discontinuance of Book-Entry-Only System**

The book-entry system for registration of the ownership of the Notes may be discontinued at any time if: (i) DTC determines to resign as securities depository for the Notes; or (ii) the County determines that continuation of the system of book-entry transfers through DTC (or through a successor securities depository) is not in the best interests of the Beneficial Owners. In either such event (unless the County appoints a successor securities depository), Notes will then be delivered in registered certificate form to such persons, and in such maturities and principal amounts, as may be designated by DTC, but without any liability on the part of the County, or the Paying Agent for the accuracy of such designation. Whenever DTC requests the County or the Paying Agent to do so, the County or the Paying Agent shall cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of certificates evidencing the Notes.

## **Paying Agent, Transfer Agent, Note Registrar and Sinking Fund Depository**

The obligations and duties of the Paying Agent are described in the Ordinance and the Act, and the Paying Agent has undertaken only those obligations and duties which are expressly set out in the Ordinance or required by the Act. The Paying Agent has not independently passed upon the validity of the Notes, the security therefor, the adequacy of the provisions for payment thereof, or the tax-exempt status of the interest on the Notes. The Paying Agent is not required to take notice or be deemed to have notice of any default under the Ordinance, except for failure by the County to make or cause to be made any of the payments required to be made for the principal of the Notes when due at maturity or earlier redemption, or the interest thereon (See “**THE PAYING AGENT**” herein.) The Paying Agent may designate an agent for purposes of exercising the duties and functions described herein and in the Ordinance.

## **REDEMPTION OF NOTES**

### **Optional Redemption**

The Notes stated to mature on and after March 1, 2027 are subject to redemption prior to maturity at the option of the County in any order of maturities either as a whole, or in part, at any time on or after March 1, 2026, and, if in part, by lot within a maturity, at a redemption price equal to 100% of the principal amount thereof, together with accrued interest to the date fixed for redemption.

### **Mandatory Redemption**

The Notes stated to mature on March 1, 2023 are subject to mandatory redemption, in part, prior to maturity, by lot within a maturity, at a redemption price equal to 100% of the principal amount thereof, together with accrued interest thereon, to the dates fixed for redemption, on March 1 of the years and in the amounts set forth below:

<b>The Notes Stated to Mature on March 1, 2023</b>	
<b><u>Year</u></b>	<b><u>Principal Amount</u></b>
2022	\$5,000
2023	855,000 <sup>(1)</sup>

(1) At maturity

### **Notice of Redemption**

As provided more fully in the Ordinance and in the form of the Notes, notice of redemption of Notes shall be given by mailing a copy of the redemption notice by first class mail, postage prepaid, no less than 30 nor more than 60 days prior to the redemption date to the Registered Owners of Notes to be redeemed at the addresses which appear in the Note Register. Notice of optional redemption may state that the redemption is conditioned upon the deposit, with the Paying Agent, by the County, of funds sufficient to pay the redemption price on the redemption date. Neither failure to mail such notice nor any defect in the notice so mailed or in the mailing thereof with respect to any one Note will affect the validity of the proceedings for the redemption of any other Note. If the County shall have duly given notice of redemption and shall have deposited with the Paying Agent funds for the payment of the redemption price of the Notes so called for redemption with accrued interest thereon to the date fixed for redemption, interest on such Notes will cease to accrue after such redemption date.

## **SECURITY FOR THE NOTES**

### **General Character of the Notes**

#### *General Obligations*

The Notes are general obligations of the County and the full faith, credit and taxing power of the County has been pledged for the punctual payment of the principal of and the interest on the Notes when due. The County has established the Sinking Fund under the Ordinance, and covenants that monies sufficient for payment of the principal of, premium, if any, and interest on the Notes will be deposited into the Sinking Fund not later than the date fixed for the disbursement thereof. The Notes are payable from the general revenues of the County, which on the date of issuance include, *inter alia*, the revenues derived from unlimited *ad valorem* taxes, which may be levied on all taxable real estate within the County (for debt service purposes). (See “**THE COUNTY – Taxing Power**” herein).

#### *Sinking Fund*

A Sinking Fund for the Notes (the “Sinking Fund”) will be held by the Paying Agent, as the Sinking Fund Depository, segregated from all other funds of the County, and may be invested in securities or deposited as authorized by the Act. Such deposits and securities shall be in the name of the County and subject to withdrawal or collection only by the Paying Agent to pay the debt service requirements on the Notes or any taxes payable by the County with respect to the same, and such deposits and securities, together with the interest thereon, shall be part of the Sinking Fund.

The Paying Agent is authorized and directed to pay from the Sinking Fund the principal of and interest on the Notes when due and payable.

#### *Noteholder Rights and Remedies*

The remedies available to holders of the Notes upon any failure to pay the principal of, and the interest on the Notes, when due, include those prescribed by the Act. If such failure should continue for a period of time in excess of thirty days, any holder of the Notes will, subject to certain priorities, have the right to bring suit for the amount due in the Court of Common Pleas of Greene County, Pennsylvania. The Act provides that, if the County defaults in the payment of the principal of, and the interest on, the Notes, and such default continues for a period of time in excess of thirty days, or if the County fails to comply with any provision of either the Notes or the Ordinance, then the holders of 25% in aggregate principal amount of the Notes may appoint a trustee to represent the holders of the Notes.

Such trustee may, and upon written request of the holders of 25% in aggregate principal amount of the Notes and being furnished with satisfactory indemnity, must, take one or more of the following actions, which will preclude similar action by individual holders: (i) bring suit to enforce all rights of the holders, (ii) bring suit on the Notes, (iii) petition the Court to levy the amount due plus estimated costs of collection as an assessment upon all taxable real estate and other property subject to ad valorem taxation in the County (any such assessment will have the same priority and preference as to other liens or security interests as a lien for unpaid taxes), and (iv) by suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the holders, all as set forth more fully in the Act.

Enforcement of a claim for payment of the principal of, premium, if any or the interest on the Notes may be subject to the provisions of the federal bankruptcy laws and to the provisions of other statutory laws enacted by the Congress or the General Assembly of the Commonwealth, or common law developed by competent courts having jurisdiction extending the time for payment or imposing other constraints upon enforcement insofar as such laws may be constitutionally applied.

### **BOND INSURANCE**

#### **Bond Insurance Policy**

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company (“BAM”) will issue its Municipal Bond Insurance Policy for the Bonds (the “Policy”). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

#### **Build America Mutual Assurance Company**

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure obligations of states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27<sup>th</sup> Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: [www.buildamerica.com](http://www.buildamerica.com).

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM’s financial strength is rated “AA/Stable” by S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“S&P”). An explanation of the significance of the rating and current reports may be obtained from S&P at [www.standardandpoors.com](http://www.standardandpoors.com). The rating of BAM should be evaluated independently. The rating reflects the S&P’s current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

#### *Capitalization of BAM*

BAM’s total admitted assets, total liabilities, and total capital and surplus, as of September 30, 2020 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$505.3 million, \$158.1 million and \$347.2 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at [www.buildamerica.com](http://www.buildamerica.com), is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE".

#### *Additional Information Available from BAM*

**Credit Insights Videos.** For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at [www.buildamerica.com/videos](http://www.buildamerica.com/videos). (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

**Credit Profiles.** Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at [www.buildamerica.com/credit-profiles](http://www.buildamerica.com/credit-profiles). BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

**Disclaimers.** The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise

## **INVESTMENT CONSIDERATIONS**

*The Notes, like all investment securities, carry a risk of loss of the investment, in whole or in part. This Official Statement does not purport to describe all of the risks of an investment in the Notes; both the County and the Underwriter disclaim any responsibility to advise prospective investors of such risks either as they may exist at the date of dissemination of this Official Statement or as they may appear or change from time to time in the future. Prospective purchasers of the Notes should consult their own legal and tax advisors as to the risks associated with an investment in the Notes, their ability bear a loss from an investment in the Notes and the suitability of investing in the Notes, in light of their particular, individual, circumstances. Prospective purchasers should carefully consider the matters described below, as well as all the information contained within this entire Official Statement.*

### **Economic Factors Affecting the Financial Condition of the County**

Changes in current economic conditions, on local, regional and national levels, could adversely affect the County's operating revenues and expenses and, consequently, the County's ability to pay debt service on the Notes. Among the factors that could have such adverse effects are: changes in local demographics; closure or relocation of key industries and employers; increases in local rates of unemployment; decreases in the assessed value of real estate within the County; decreases in real estate tax collections; future contract negotiations with organized labor and the consequent impact on wage scales and operating costs; increasing costs of supplies and materials necessary to provide public services; and loss or reduction of State and federal subsidies and reimbursements for operating and capital costs.

## **General Fund Structural Imbalance**

The County has experienced General Fund structural imbalance for each of the past five years, with expenditures exceeding revenues. The County has used funds outside of the General Fund, and planned drawdowns of fund balance, to achieve balanced operations. The outside funds used are derived from a nine-year, statutory source of revenue provided in accordance with Pennsylvania Act 13 that is legally allowed to be used for certain operations in the General Fund, and is incorporated into the annual budget process with planned use divided between operations and capital outlays.

The County's ability to balance its budget in the future is dependent on the County's efforts to address the financial impact of certain expenditure pressures and challenges, as well as to derive additional revenues from local and state sources. The County cannot assure Noteholders that it will be able to decrease expenses and increase taxes and other revenues in amounts that will be sufficient to balance the budget in subsequent years; however, the County has decreased the 2020 budget by 5.09% (original to current) and the 2021 budget an additional 1.84% (2020 current to 2021 original); raised taxes by 19.91% and reallocated millage in order to increase the General Fund real estate tax levy by 26.18%; and reduced the use of outside funds in the 2021 budget by 78.03% (2020 original to 2021 original).

## **Uncertainty of Tax Revenues**

County funding from the federal and state governments has grown slightly but not enough to cover the growth of the expenditures due to certain program needs. This funding is necessary for a number of human services and public safety functions that continue to see programmatic growth. This situation places increased demand on local funding sources, which include *ad valorem* real estate taxes.

The availability of tax and other locally-generated revenue is dependent on the tax base within the County and the ability of this tax base to support the tax burden imposed in any year not only by the County, but also by such overlapping taxing authorities as the component municipalities and school districts of the County. The County's assessed value, and therefore its tax base, has declined in four of the past five fiscal years.

However, the County has never defaulted on the payment of principal of or interest on any general obligation debt or any tax anticipation note issues.

## **Expenditure Risks**

There are a number of expenditure categories that the County has limited control over. Material increases in pension costs, health care costs, operating costs, to name a few, could adversely impact the cash flows of the County.

## **Enforcement of Remedies**

Enforcement of a claim for payment of principal of and interest on the Notes may be subject to the provisions of laws enacted by the United States or the Commonwealth or case law developed by competent courts applying general principles of equity, all of which could extend the time for payment or impose other constraints upon enforcement.

## **Actions In The Event Of Default**

In the event the County defaults in the payment of the principal of or the interest on the Notes after the same shall come due, whether at the stated maturity or upon call for prior redemption, and such default shall continue for thirty days, or if the County fails to comply with any provision of the Notes or the Ordinance, the Act provides that the holders of 25% in aggregate principal amount of such Notes then outstanding may, upon appropriate action, appoint a trustee to represent the Note purchasers. The trustee may, and upon request of the holders of 25% in principal amount of such Notes then outstanding and upon being provided with indemnity satisfactory to it, shall, take such action on behalf of the Note purchasers as is more specifically set forth in the Act. Such representation by the trustee shall be exclusive.

## **Cybersecurity**

The County, like many other governmental entities, relies on a technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. There can be no assurance that any security and operational control measures implemented by the County will be completely successful to guard against and prevent cyber threats and attacks. The result of any such attack could impact operations and/or digital networks and the costs of remedying any such damage could be significant. The County maintains a cyber-security insurance policy.

## **No Assurance of Secondary Market for the Notes**

There can be no guarantee that there will be a secondary market for the Notes or, if a secondary market exists, that the Notes can be sold for any particular price. Accordingly, purchasers of the Notes should be prepared to have their funds committed until the Notes mature. Prices of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different than the original purchase price. Moreover, while the Underwriter expects to reoffer the Notes in the secondary market, the Underwriter is not specifically required to do so.

## **Coronavirus (COVID-19)**

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the “Pandemic”) by the World Health Organization and is currently affecting many parts of the world, including the United States and the Commonwealth of Pennsylvania. On January 31, 2020, the Secretary of the United States Department of Health and Human Services declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the United States Center for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States by, among other measures, social-distancing.

The spread of the strain of coronavirus commonly known as COVID-19 is altering the behavior of businesses and people in a manner that is having substantial disruptive effects on global, national, state and local economies. On March 19, 2020, Governor Tom Wolf ordered all “non-life-sustaining businesses” in Pennsylvania to close their physical locations. On April 1, 2020, the Governor issued a Stay at Home order effective for all Pennsylvania counties.

Pennsylvania is now utilizing a three-phase matrix to determine when counties and/or regions are ready to begin easing some restrictions on work, congregate settings and social interactions. In the “red” phase, the Stay at Home order remains effective and only life-sustaining businesses may operate in their physical locations. In the “yellow” phase, the Stay at Home order is lifted for aggressive mitigation and some restrictions on work and social interaction are eased while others, such as closures of schools, gyms, and other indoor recreation centers, hair and nail salons, as well as limitations around large gatherings, remain in place. Large gatherings of more than 25 are prohibited; in-person retail is allowable; restaurants and bars may open outdoor dining; and indoor recreation, health and wellness facilities and personal care services (such as gyms, spas, hair salons, nail salons and other entities that provide massage therapy) and all entertainment (such as casinos and theaters) and schools must remain closed. In the “green” phase, the Stay at Home and business closure orders are lifted; businesses with in-person operations must follow updated business and building safety requirements; all businesses operating at 50% occupancy in the yellow phase may increase to 75% occupancy; large gatherings of more than 250 are prohibited; restaurants and bars may open at 50% occupancy; personal care services (including hair salons and barbershops) may open at 50% occupancy and by appointment only; indoor recreation, health and wellness facilities, and personal care services (such as gyms and spas) may open at 50% occupancy, with appointments strongly encouraged; all entertainment (such as casinos, theaters, and shopping malls) may open at 50% occupancy; and construction activity may return to full capacity with continued implementation of protocols.

A United States District Court Judge ruled in mid-September that emergency business closure orders and crowd size limitations imposed by Governor Wolf violated the freedom of assembly and due process guarantees under the First and Fourteenth Amendments to the Constitution. Governor Wolf has appealed to the Third Circuit Court of Appeals which has granted a stay on the United States District Court Order during the pendency of the appeal.

The County is currently in the “green” phase under the state reopening plan as described above, however, effective December 12, 2020 through January 4, 2021, certain limited-time COVID-19 mitigation restrictions have been put in place. Among other things, these measures prohibit indoor dining, limit attendance at gatherings and events, impose capacity limits for in-person businesses serving the public, prohibit the operation of gyms and fitness facilities, prohibit the operation of entertainment venues, suspends extracurricular and sports activities at K-12 schools and prohibits spectators at collegiate and professional sports events. There can be no assurance as to whether such status or restrictions will remain in effect or may change due to any change in the number of COVID-19 cases.

While it is not possible at this time to assess the full impact of COVID-19 on the County, some possible negative consequences include: 1. The ability of individuals and businesses to afford and pay property taxes, whether timely or otherwise, could be adversely affected. Consequently, there can be no assurance that collection of taxes will remain at past levels. 2. Demands and costs for County services have not increased at this time, but could be expected to in the future. 3. Management of the County and its facilities and finances could be interrupted because of mandatory closures or other “social distancing” initiatives. Because of these and other factors, as well as the continued spread of the virus and the changing manner in which governments at the national, state and local levels are addressing the issue, the County cannot predict all effects that the spread of COVID-19 will have on its finances or operations. Such effects could be significant and adverse to the County, however, the County does not currently anticipate a material negative impact on its ability to pay debt service on the Notes.

The County has received several CARES Act allocations. The County Relief Block Grant was in the amount of \$3.27 million. The County also received CARES Act funding through the Community Development Block Grant Program in the amount of \$364,483, the Pennsylvania Commission on Crime and Delinquency in the amount of \$55,449 and the Bureau of Elections in the amount of \$15,153.30.

### **Risk of Audit by the Internal Revenue Service**

The Internal Revenue Service has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Internal Revenue Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. No assurances can be given as to whether or not the Internal Revenue Service will commence an audit of the Notes. If an audit is commenced, under current procedures the Internal Revenue Service is likely to treat the County as the taxpayer and Note purchasers may have no right to participate in such procedure. None of the County, the Underwriter or Note Counsel is obligated to defend the tax-exempt status of the Notes on behalf of the Note purchasers, nor to pay or reimburse the cost of any Note purchaser with respect to any audit or litigation relating to the Notes. See “**TAX MATTERS**” herein.

## Bond Insurance Risk Factors

In the event of a default in the payment of principal or interest with respect to the Notes when any such payment becomes due, any owner of the Notes shall have a claim under the applicable Bond Insurance Policy (the “Policy”) for such payment. However, in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or resulting from any default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, any payments to be made pursuant to the Policy will be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. In addition, the Policy does not insure the payment of any redemption premium. To the extent that any payment of principal and interest by the County in connection with a mandatory or optional prepayment of the Notes is recovered by the County from any owner of the Notes as a voidable preference under applicable bankruptcy law, such payments are covered by the Policy. However, such payments will be made by the Insurer at such times and in such amounts as such payments would have been due had there been no such prepayment by the County, unless the Insurer chooses to pay such amounts at an earlier date.

Under most circumstances, any default in the payment of principal and interest does not accelerate the obligations of the Insurer without its consent. The Insurer may direct, and must consent to, any remedies that the Paying Agent exercises following such a default and the Insurer’s consent may be required in connection with amendments to the applicable agreements or the Ordinance in those circumstances.

In the event that the Insurer is unable to make any payments of principal and interest as such payments become due under the Policy, the Notes will be payable solely from the moneys received by the Paying Agent pursuant to the applicable agreements. In the event that the Insurer becomes obligated to make payments with respect to the Notes, no assurance is given that such event will not adversely affect the market price of the Notes or the marketability (liquidity) of the Notes.

The long-term ratings on the Notes are dependent in part on the financial strength of the Insurer and its claims’ paying ability. The Insurer’s financial strength and claims paying ability are predicated upon a number of factors that could change over time. No assurance is given that the long-term ratings of the Insurer and, therefore, the ratings on the Notes insured will not be subject to downgrade, and such event could adversely affect the market price of the Notes or the marketability (liquidity) of the Notes. See “**RATINGS**” herein.

The obligations of the Insurer under the Policy are general obligations of the Insurer and, upon an event of default by the Insurer, the remedies available to the Paying Agent may be limited by applicable bankruptcy law or other similar laws related to the insolvency of entities like the Insurer.

## PURPOSE OF THE NOTE ISSUE

Proceeds from the sale of the Notes will be used to: (i) refund, on a current refunding basis, the County’s General Obligation Bonds, Series of 2016; and (ii) pay the costs of issuing the Notes.

### The Refunding Program

As authorized by the Ordinance, upon settlement for the Notes, a portion of the proceeds derived from the sale of the Notes will be deposited into the Sinking Fund for the General Obligation Bonds, Series of 2016 (the “2016 Bonds”) with U.S. Bank National Association as Paying Agent for the 2016 Bonds. This deposit will provide the County with sufficient moneys to redeem the 2016 Bonds, at 100% of the principal amount thereof, together with interest accrued thereon, on March 1, 2021.

## SOURCES AND USES OF FUNDS

It is estimated that monies will be provided, and applied, substantially in accordance with the following:

### SOURCES:

Par Amount of Notes	\$5,250,000.00
Original Issue Premium <sup>(1)</sup>	<u>501,669.50</u>
TOTAL SOURCES	\$5,751,669.50

### USES:

Refunding Requirement – 2016 Bonds	\$5,634,015.63
Costs of Issuance and Miscellaneous <sup>(2)</sup>	<u>117,653.87</u>
TOTAL USES	\$5,751,669.50

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(1) See “**Original Issue Premium**” under “**TAX MATTERS**” herein.

(2) Includes rating fee, bond insurance premium, legal fees, paying agent fee, financial advisor fee, document printing costs, underwriting discount and other miscellaneous issuance costs.

## FUTURE FINANCING

The County does not anticipate the need to borrow for capital projects within the next five years. The County will consider refunding opportunities if market conditions are appropriate.

## COUNTY OF GREENE

The County of Greene (the “County”), is located in the southwestern corner of the Commonwealth of Pennsylvania (the “Commonwealth”), approximately fifty miles south of the City of Pittsburgh, Pennsylvania, and twenty-five miles south of the City of Washington, Pennsylvania. The County is bordered to the north by Washington County, to the south and west by the Mason-Dixon Line and the State of West Virginia, and to the east by Fayette County. Waynesburg Borough is the County seat and is located in the north-central portion of the County. The County is predominantly rural in character and is noted for its gently rolling hills and extensive bituminous coal reserves and its strategic placement over the Marcellus Shale formation which contains large natural gas reserves in close proximity to high-demand markets on the east coast.

The County was formed in 1796 from a portion of Washington County and is comprised of a total of twenty-six component municipalities, consisting of six boroughs and twenty townships. These twenty-six component municipalities include the Boroughs of Carmichaels, Clarksville, Greensboro, Jefferson, Rices Landing, and Waynesburg, and the Townships of Aleppo, Center, Cumberland, Dunkard, Franklin, Freeport, Gilmore, Gray, Greene, Jackson, Jefferson, Monongahela, Morgan, Morris, Perry, Richhill, Springhill, Washington, Wayne, and Whiteley (collectively, the “Component Municipalities”). The 2010 U.S. Census population of the County is 38,686 people residing in some 14,724 households. For additional details about the County, see “**APPENDIX A – County of Greene, Pennsylvania.**”

## CONTINUING DISCLOSURE UNDERTAKING

In accordance with the requirements of Rule 15c2-12 (the “Rule”), promulgated under the Securities Exchange Act of 1934, as amended, by the Securities and Exchange Commission (the “Commission”), the County will, in a Continuing Disclosure Undertaking to be executed by the County on the date of settlement of the Notes, agree to provide, or cause to be provided:

(i) to the Municipal Securities Rulemaking Board’s (“MSRB”) Electronic Municipal Market Access System (“EMMA”) in accordance with the Rule, operating data (the “Operating Data”), consisting of:

(a) a summary of the budget for the current fiscal year (the fiscal year following the fiscal year of the financial statements being provided, as hereinafter described); and

(b) the information listed in Appendix A hereto under the following heading or subheadings herein:

(i) Real Estate Valuations;

(ii) Real Estate Tax Collections;

(iii) Major Real Estate Taxpayers; and

(ii) the County's annual audited financial statements, which shall be prepared in conformity with generally accepted accounting principles consistently applied as applicable to counties within the Commonwealth of Pennsylvania;

The Operating Data and audited financial statements (collectively, the “Annual Information”) will be provided to EMMA not later than 270 days after the fiscal year ending the previous December 31;

(iii) in a timely manner, not in excess of ten (10) business days after the occurrence of the event, to the MSRB via EMMA, notice of the occurrence of any of the following events with respect to the Notes:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) 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 Notes, or other material events affecting the tax status of the Notes;
- (g) modifications to the rights of Noteholders, if material;
- (h) Note calls, if material, and tender offers;
- (i) defeasances;



- (j) release, substitution, or sale of property securing repayment of the Notes, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the County;
- (m) the consummation of a merger, consolidation, or acquisition involving the County, or the sale of all or substantially all of the assets of the County, 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;
- (n) change in the County's paying agent or trustee, if material;
- (o) the incurrence of a financial obligation of the County, if material, or the agreement, in connection with a financial obligation, to new, or additional covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the County, any of which affect security holders, if material; and
- (p) Default, event of acceleration, termination event, modification of terms or other similar events under the terms of a financial obligation of the County, any of which reflect financial difficulties.

(iv) in a timely manner, to the MSRB, notice of its failure to provide the Annual Information and audited financial statements with respect to itself on or before the date specified in the Continuing Disclosure Undertaking.

The term "financial obligation," as used in section (iii)(o) and (iii)(p) above, means a debt obligation; or a derivative instrument entered into in connection with or pledged as security or a source of payment for an existing or planned debt obligation; or a guarantee of a debt obligation or derivative instrument entered into in connection with or pledged as security or a source of payment for existing or planned debt obligation. The term "financial obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB.

The obligations of the County described above will remain in effect only for such period as (i) the Notes are outstanding in accordance with their terms, and (ii) the County remains an obligated person with respect to the Notes within the meaning of the Rule. The County reserves the right to terminate its obligation to provide the Annual Information and notices of material events, as set forth above, if and when the County is no longer an obligated person with respect to the Notes within the meaning of the Rule. The County acknowledges that its undertaking pursuant to the Rule described under this caption is intended to be for the benefit of the holders of the Notes (including holders of beneficial interests in the Notes).

Each Noteholder (including beneficial owners) may enforce the County's continuing disclosure undertaking; provided that, the right to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the County's obligations under its continuing disclosure undertaking. Any failure by the County to comply with the provisions of the undertaking will **not** constitute a default or an event of default with respect to the Notes.

The obligations of the County described above may be amended without the consent of the Noteholders, to the extent permitted by the Rule, as from time to time amended.

The MSRB has been designated by the SEC to be the central and sole repository for continuing disclosure information filed by issuers of municipal securities since July 1, 2009. Information and notices filed by municipal issuers (and other "obligated persons" with respect to municipal securities issues) are made available through the MSRB's Electronic Municipal Market Access (EMMA) System, which may be accessed on the internet at <http://www.emma.msrb.org>.

### **Summary of Past Continuing Disclosure Compliance**

The County has entered into continuing disclosure undertakings for previously issued bonds that have been outstanding within the past five years (collectively, the "Prior Undertakings."). Under the Prior Undertakings, the County agreed to provide audited financial statements, certain operating data, and notices of material events. In the previous five years, the County has, to the best of its knowledge, made timely filings of its audited financial statements and operating data in accordance with the provision of the Prior Undertakings. However, the operating data captioned "Real Estate Tax Collection Data" has been presented in an inconsistent format over the past five years. A supplemental filing, to reconcile such inconsistencies, was posted to EMMA on December 10, 2020.

## **LEGAL MATTERS**

### **Legal Investment for Trust Funds in Pennsylvania**

Under the Probate, Estate and Fiduciaries Code of the Commonwealth of Pennsylvania, the Notes are legal investments for fiduciaries and personal representatives (as defined in such Code) in the Commonwealth of Pennsylvania.

### **Negotiability of the Notes**

The Notes are investment securities under Article 8 of the Pennsylvania Uniform Commercial Code and are negotiable instruments to the extent provided therein.

## **Regarding the Obligation for the Notes**

Neither the credit nor the taxing power of the Commonwealth or of any political subdivision thereof, other than the County, is pledged for the interest thereon or the principal payable upon the maturity (or mandatory redemption) of any of the Notes.

## **Legality**

The issuance and delivery of the Notes are subject to the approving legal opinion of Dinsmore & Shohl LLP, Pittsburgh, Pennsylvania, Note Counsel. Certain legal matters will be passed upon by Robert Eugene Grimm, Waynesburg, Pennsylvania, Solicitor to the County.

## **LEGAL PROCEEDINGS**

There is no litigation of any nature pending against the County as of the date of this Official Statement to restrain or enjoin the issuance, sale, execution or delivery of the Notes or in any way contesting or affecting the validity of the Notes or the security therefor, or any proceedings of the County taken with respect to the issuance or sale thereof, nor are there any other pending or threatened legal proceedings, other than litigation routinely incidental to the conduct of their affairs, to which the County is or may become a party. At the time of delivery of the Notes, the County will furnish a certificate to the effect that no such litigation is then pending.

## **TAX MATTERS**

### **State Tax Matters**

In the opinion of Note Counsel, the Notes, and the interest income therefrom, are free from taxation for purposes of personal and corporate net income taxes within the Commonwealth of Pennsylvania.

The residence of a holder of a Note in a state other than Pennsylvania, or being subject to tax in a state other than Pennsylvania, may result in income or other tax liabilities being imposed by such other state or its political subdivisions based on the interest or other income from the Notes.

### **Federal Income Tax Matters**

In the opinion of Note Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, interest on the Notes is excluded from gross income for Federal income tax purposes. Note Counsel is also of the opinion that interest on the Notes is not a specific item of tax preference under Section 57 of the Internal Revenue Code of 1986, as amended (the "Code") for purposes of Federal alternative minimum taxes on individuals.

### *Original Issue Premium*

The Notes are being sold at an original issue premium ("OIP"). An amount equal to the excess of the issue price of a Note over its stated redemption price at maturity constitutes OIP on such Note. An initial purchaser of a Note must amortize any OIP over such Note's term using constant yield principles, based on the purchaser's yield to maturity (or, in the case of Notes callable prior to their maturity, by amortizing the OIP to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). As OIP is amortized, the amount of the amortization offsets a corresponding amount of interest for the period and the purchaser's basis in such Note is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Note prior to its maturity. Even though the purchaser's basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Notes should consult with their tax advisors with respect to the determination and treatment of OIP for federal income tax purposes and with respect to the state and local tax consequences of owning a Note.

### *Interest Expense Deductions for Financial Institutions*

Under Section 265 of the Code, financial institutions are denied any deduction for interest expenses that are allocable, by a formula, to tax-exempt obligations acquired after August 7, 1986. An exception, which permits a deduction for 80% of such interest expenses, is provided in respect of certain tax-exempt obligations issued by a qualified issuer that specifically designates such obligations as "qualified tax-exempt obligations" under Section 265 of the Code.

The County has designated the Notes as "qualified tax-exempt obligations" for the purposes and effect contemplated by Section 265 of the Code.

### *Continuing Compliance*

The Code imposes various terms, restrictions, conditions and requirements relating to the exclusion from gross income for Federal income tax purposes of interest on obligations such as the Notes. The County has covenanted to comply with all such requirements, including

non-arbitrage requirements under Section 148 of the Code, that are necessary to ensure that interest on the Notes will not be includable in gross income for Federal income tax purposes. Failure to comply with these covenants could result in interest on the Notes being includable in gross income for Federal income tax purposes and such inclusion could be required retroactively to the date of issuance of the Notes. The opinion of Note Counsel assumes compliance with the aforesaid covenants. Moreover, Note Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Notes may adversely affect the tax-exempt status of the interest on the Notes.

Certain requirements and procedures contained or referred to in the Ordinance and other relevant documents may be changed and certain actions (including, without limitation, defeasance of the Notes) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Such changes or actions could constitute an exchange or other tax event with respect to the Notes, which could result in gain or loss to the holder of a Note, and a consequent tax liability.

Pursuant to its continuing disclosure obligations made pursuant to SEC Rule 15c2-12 (see “Continuing Disclosure Undertaking” herein), the County may be required to provide notice of such changes or actions, as Material Events under said Rule. However, holders of the Notes should consult their own tax advisors as to the effect of such changes or actions with respect to their federal tax liability.

#### *Collateral Tax Liabilities*

Although Note Counsel has rendered an opinion that interest on the Notes is excludable from gross income for Federal and Pennsylvania income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, the Notes may result in other collateral effects on a Noteholder’s Federal, state or local tax liabilities. The nature and extent of these other tax consequences may depend upon the particular tax status of the Noteholder or the Noteholder’s other items of income or deduction. Note Counsel expresses no opinions regarding any tax consequences other than what is set forth in its opinion; each Noteholder or potential Noteholder is urged to consult with its own tax advisors with respect to the effects of purchasing, holding or disposing of the Notes on its tax liabilities.

Examples of tax consequences for certain taxpayers include, without limitation, increasing the federal tax liability of certain foreign corporations subject to the branch profits tax imposed by Section 884 of the Code, increasing the federal tax liability of certain insurance companies under Section 832 of the Code, increasing the federal tax liability of certain S corporations subject to Sections 1362 and 1375 of the Code, increasing the federal tax liability of certain individual recipients of social security or railroad retirement benefits under Section 86 of the Code, limiting the use of the Earned Income Credit under Section 32 of the Code, limiting the use of the refundable credit for coverage under a qualified health plan under Section 36B of the Code, and denying an interest expense deduction to certain financial institutions under Section 265 of the Code (unless, and in the circumstance when, the Notes have been designated by the issuer as “qualified tax-exempt obligations”).

#### *Change in Law; Adverse Determinations*

From time to time, certain legislative proposals may be introduced, or are pending, in the Congress of the United States or the various state legislatures, including some that carry retroactive effective dates, that, if, enacted, could alter or amend the federal and state tax matters described above or affect the market value of the Notes. No prediction can be made whether or in what form any such proposal or proposals might be enacted into law or whether, if enacted, the same would apply to bonds issued prior to enactment. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal tax legislation. Note Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Internal Revenue Service (the “Service”) regularly audits tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. No prediction can be made whether or not the Service will commence an audit of the Notes. If an audit is commenced, under current procedures, the Service may treat the County as a taxpayer and the Noteholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Notes until such time as the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, such as the Notes, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Noteholder who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or to any Noteholder who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns.

**THE FOREGOING IS NOT INTENDED AS AN EXHAUSTIVE LIST OF THE PROVISIONS OF FEDERAL, STATE AND LOCAL TAX LAWS WHICH MAY HAVE AN EFFECT ON INDIVIDUALS AND CORPORATIONS HOLDING THE NOTES OR RECEIVING INTEREST THEREON. PROSPECTIVE PURCHASERS SHOULD CONSULT WITH THEIR OWN TAX ADVISORS REGARDING THE EFFECT ON THEIR FEDERAL, STATE OR LOCAL TAX LIABILITY AND GENERAL FINANCIAL AFFAIRS OF HOLDING THE NOTES OR RECEIVING INTEREST THEREON.**

## **THE PAYING AGENT**

Pursuant to the provisions of the Ordinance, as paying agent and sinking fund depository, the Paying Agent has the limited duty of receiving payments from the County, depositing such payments in a sinking fund and making payments to the owners of the Notes of the principal of, interest on, and premium, if any, on the Notes when due, but only to the extent such moneys have been received. As registrar and transfer agent, the Paying Agent has the limited duty of handling the registration and transfer of the Notes. Accordingly, the Paying Agent performs ministerial duties not involving the exercise of discretion and assumes no fiduciary relationship with respect to the owners of the Notes.

The Paying Agent may now or in the future have banking relationships with the County which involve making loans to the County; these loans may have a security feature which is different from that of the security feature associated with the Notes. The Paying Agent may also serve as trustee or paying agent and sinking fund depository on other obligations issued by or on behalf of the County.

## **RELATED PARTIES**

PNC Capital Markets LLC, PNC Bank, National Association and PNC Equipment Finance are wholly-owned subsidiaries of PNC Financial Services Group, Inc. PNC Capital Markets LLC, serving as Underwriter, is not a bank, and is a distinct legal entity from PNC Bank, National Association and PNC Equipment Finance. PNC Bank, National Association and PNC Equipment Finance currently have, and in the future may have, banking and other financial relationships with the County.

## **NOTE RATINGS**

S&P Global Ratings ("S&P") has assigned its underlying credit rating of "A" (negative outlook) to the Notes.

S&P is expected to assign its credit rating of "AA" (stable outlook) to the Notes with the understanding that, upon delivery of the Notes, an insurance policy guaranteeing when due the scheduled payment of the principal of and the interest on the Notes will be issued concurrently with the delivery of the Notes by BAM.

Such ratings reflect only the view of such organization furnishing such rating. Any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following address: S&P Global Ratings, 55 Water Street, New York, New York 10041. There is no assurance that these credit ratings will be maintained for any given period of time, or that they may not be lowered or withdrawn entirely by the rating agency if, in its judgment, circumstances so warrant. Any such downward change in or withdrawal of such credit ratings may have an adverse effect on the market price of the Notes.

## **NOTE UNDERWRITING**

The Notes have been purchased by PNC Capital Markets LLC, as the Underwriter. The Underwriter has agreed to purchase the Notes at a purchase price of \$5,714,919.50 (which is the par amount of notes less the note discount of \$36,750.00 plus the original issue premium of \$501,669.50). The Note Purchase Agreement for the Notes provides that the Underwriter will purchase all the Notes, if any are purchased, in accordance with the terms of the Note Purchase Agreement, and requires that the County certify to the Underwriter that this Official Statement does not, to the knowledge of the County, contain any untrue statement of a material fact or omit any statement of any material fact necessary to make the statements herein, in light of the circumstances under which they were made, not misleading. The initial public offering prices of the Notes, set forth in the **NOTE MATURITY SCHEDULE** shown on the inside of the Cover Page of this Official Statement, may be changed by the Underwriter from time to time without any requirement of prior notice. The Underwriter reserves the right to join with other dealers in offering the Notes to the public; and said Notes offered to other dealers may be at prices lower than those offered to the public.

PNCCM and its affiliates, including but not limited to PNC Bank, National Association, comprise a full service financial institution engaged in various activities, including securities trading, commercial and investment banking, corporate and investment advisory services, investment management and brokerage activities for a wide range of corporations, municipal and non-profit entities and individuals. PNCCM may engage PNC Investment, LLC, to sell the County's securities to retail investors.

## **MISCELLANEOUS MATTERS**

All summaries of the provisions of the Act, the Notes, the Ordinance, the Continuing Disclosure Certificate and other documents hereinabove and hereinafter set forth are made subject to all detailed provisions thereof, to which reference is hereby made for further information, and do not purport to be complete statements of any or all such provisions.

All estimates and assumptions herein have been made on the best information available and are believed to be reliable, but no representations whatsoever are made that such estimates or assumptions are correct or will be realized. So far as any statements herein involve matters of opinion, whether or not expressly so stated, they are intended merely as such and not as representations of fact.

Appendices A, B, C, D, E and F, attached hereto, are expressly incorporated herein as a part hereof.

This Official Statement, issued by the County, has been duly approved and executed by the County and has been authorized for distribution in connection with the underwriting and offering of the Notes.

COUNTY OF GREENE  
Commonwealth of Pennsylvania

/s/ Michael Belding  
Chairman, County Commissioners

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## **APPENDIX A**

### **THE COUNTY OF GREENE (COMMONWEALTH OF PENNSYLVANIA)**

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**The County of Greene  
(Commonwealth of Pennsylvania)**

*The text, charts and tables within this Appendix (unless otherwise footnoted) set forth both: (a) financial information and results of operations which are specific to the County and have been produced from its own financial records; and (b) community economic data and descriptions which were supplied by or, if obtained from other sources, confirmed by, County officials. In the latter case, the County does not guarantee the accuracy of such data, but does confirm that the same has been obtained from sources deemed to be reliable and that the County has no information which would suggest such data is inaccurate or misleading.*

**Introduction**

The County of Greene (the “County”), is located in the southwestern corner of the Commonwealth of Pennsylvania (the “Commonwealth”), approximately fifty miles south of the City of Pittsburgh, Pennsylvania, and twenty-five miles south of the City of Washington, Pennsylvania. The County is bordered to the north by Washington County, to the south and west by the Mason-Dixon Line and the State of West Virginia, and to the east by Fayette County. Waynesburg Borough is the County seat and is located in the north-central portion of the County. The County is predominantly rural in character and is noted for its gently rolling hills and extensive bituminous coal and natural gas reserves and its strategic placement over the Marcellus Shale formation which contains large natural gas reserves in close proximity to high-demand markets on the east coast.

The County was formed in 1796 from a portion of Washington County and is comprised of a total of twenty-six component municipalities, consisting of six boroughs and twenty townships. These twenty-six component municipalities include the Boroughs of Carmichaels, Clarksville, Greensboro, Jefferson, Rices Landing, and Waynesburg, and the Townships of Aleppo, Center, Cumberland, Dunkard, Franklin, Freeport, Gilmore, Gray, Greene, Jackson, Jefferson, Monongahela, Morgan, Morris, Perry, Richhill, Springhill, Washington, Wayne, and Whiteley (collectively, the “Component Municipalities”). The 2010 U.S. Census population of the County is 38,686 people residing in some 14,724 households.

**Form of County Government**

The Pennsylvania County Code, Act 130 of 1955, P.L. 323 as amended, reenacted and continued by Act 154 of 2018, enacted October 24, 2018 (the “County Code”) classifies Pennsylvania’s sixty-seven counties within eight classes according to population; Greene County is classified as a sixth-class county. The County operates under the provisions of the County Code and other relevant acts.

The County is governed by an elected three-person Board of County Commissioners who serve four-year terms. Under the County Code, the County Commissioners are charged with both the legislative and executive functions of various department heads, except in connection with offices of the elected officials identified in the following paragraph.

The County Code also provides that the following County officials are elected at-large for four-year terms: Clerk of Courts, Controller, Coroner, District Attorney, Prothonotary, Recorder of Deeds/Register of Wills, Sheriff and Treasurer. The Commissioners are empowered to appoint various other officials, including the Solicitor, Chief Clerk, Public Defender, County Bridge Engineer and various departmental directors.

The major duties and responsibilities of the County Commissioners include the administration of all fiscal affairs of the County, management and maintenance of all County-owned buildings, record-keeping pertaining to all proceedings, overseeing of purchases, and supervision of all County employees. The major offices and departments of the County which are directly responsible to the Board of Commissioners include the Office of the Chief Clerk, Finance Office, Human Resources Office, Buildings and Grounds Department, the Planning and Development Department, the Recreation Department, the Human Services Department, Emergency Management and 911 Communications Center, and the Greene County Prison.

The current members of the Board of County Commissioners, along with their term expiration dates, as listed below:

<u><b>Name</b></u>	<u><b>Position</b></u>	<u><b>Term Expiration Date</b></u>
Michael Belding	Chairman	December 31, 2023
Elizabeth McClure	Vice Chairman	December 31, 2023
Blair Zimmerman	Commissioner	December 31, 2023

**Judicial and Law Enforcement Services**

The County is divided into three (3) magisterial districts. All cases falling within the jurisdiction of the Court of Common Pleas of the County are heard by one of two judges. Criminal cases which are brought before the Court of Common Pleas are prosecuted by the District Attorney for the County, and the Public Defender’s Office is responsible for providing legal defense to those individuals accused of criminal offense who are considered indigent.

The maximum population of the County Prison, which was constructed in 1979 and expanded 3 times over the course of 41 years, is 150; the average daily population is 67 prisoners. From March to August of 2020, the average daily population fell to 41.5 prisoners.

The Commonwealth of Pennsylvania, Department of Corrections, operates SCI Greene; a Maximum-Security Prison facility located in Franklin Township.

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Source: County Officials.

## **County Development**

The Greene County Board of Commissioners and their staff is committed to responsible, coordinated growth and development in Greene County with a focus on increasing diversity in the economy. Fossil fuels have traditionally driven the local economy; Greene County is producing 3% of the total natural gas production of the United States and still a leader in coal production. While these have historically served the County well, weakening in coal markets makes that less true today. In light of the declining production and uncertain future of the coal industry and production plateau of the natural gas industry due to product price, Greene County is seeking to diversify its economy toward non-fossil fuel related economic drivers.

Greene County recently produced a comprehensive plan highlighting six focus areas in order to foster growth in Greene County; Mobility, Infrastructure and Transportation, Workforce and Education, Business and Industry, Quality of Life, Grow and Protect Assets and Local Government. Driven by the Pennsylvania Municipalities Planning Code Act 247 of 1968 (MPC) an Advisory Committee provided guidance and process while Focus Groups, Public Meetings and Surveys and interviews shaped the vision and dominant themes of future county development.

Following recommendations from the comprehensive plan, Greene County recently developed a “One-Stop Shop” for Planning and Community Development consolidated on a single floor of the county office building. This puts all the subject matter experts from planning, permitting, development and funding all together to serve clientele from individual residents to commercial developers to industry representatives looking for information about opportunities in Greene County.

Additionally, Greene County has a well-established Industrial Development Authority (GCIDA). The authority’s focus is on the creation, attraction and retention of business. GCIDA offers financial assistance through a variety of loan programs, as well as technical assistance by working with our federal and state legislators, and development partners, including Waynesburg University and the University of Pittsburgh Institute of Entrepreneurial Excellence, to further expand business opportunities throughout the county. GCIDA is the lead agency for industrial recruitment and expansion in Greene County and actively partners with the Greene County Board of Commissioners to foster economic growth in the county. Another partner in economic development is the Greene County Industrial Development Corporation that manages two industrial parks; EverGreene Technology and Paisley Industrial Parks.

The County endeavors to attract businesses and industry partners that bring stability to the economy while providing family sustaining wages, require education backgrounds that may be provided by the Greene County Career and Technology Center or secondary education at the local university. The goal is to entice youth to stay and raise families in Greene County and offer the opportunity for residents, businesses and industry to settle in Greene County and enjoy the many amenities the County has to offer.

The County is committed to responsible, coordinated growth and development in Greene County reducing the reliance on fossil fuels, diversifying the economy and growing a workforce educated locally and employed locally in a family friendly environment.

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Source: Greene County Board of Commissioners and Greene County 2019 Comprehensive Plan Update.

## **Employment and Employee Relations**

The County presently has a total of 345 employees, comprised of 308 full-time, 13 part-time, and 24 temporary/casual personnel.

Two collective bargaining agreements between the County and Local 668 of the Service Employees International Union are currently in place; each of these agreements expires on December 31, 2020 and cover various classifications of employees working in the County administrative units and the County Prison. Two collective bargaining agreements between the County and the United Mine Workers of America are also in place that cover caseworkers within Probation, Domestic Relations and Human Services. Both are set to expire on December 31, 2020. Negotiations on both collective bargaining agreements are currently in progress.

The County generally considers its labor relations to be good.

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Source: County Human Resources Director.

## County Pension Program

The County contributes to the Greene County Employee Pension Plan (the "Plan"), a single employer defined benefit public employee retirement system, which is self-administered by the County. The Plan is governed by County Pension Law Act 96 of 1971, as amended, enacted by the General Assembly of the Commonwealth of Pennsylvania. The Plan was established January 1, 1993, with its most recent amendment dated January 1, 1999.

The Retirement Board administers the Plan. Management of the Plan is vested in the Retirement Board, which consists of five members – three elected County Commissioners, the County Controller, and the County Treasurer.

All full-time employees with 1,000 hours of service are eligible to participate in the Plan.

At December 31, 2019, Plan membership consisted of the following:

Inactive Plan members or beneficiaries currently receiving benefits .....	125
Inactive Plan members entitled to but not yet receiving benefits .....	16
Active Plan members .....	<u>293</u>
Total Plan members .....	<u>434</u>

The changes in the net pension liability (asset) of the County for the year ended December 31, 2019 were as follows:

	<b>Increase/(Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability/(Asset) (a) – (b)</b>
Balances as of December 31, 2018	\$28,850,214	\$25,916,960	\$2,933,254
Changes for the year:			
Service Cost	1,406,243		1,406,243
Interest	2,194,480		2,194,480
Differences between expected and actual	27,757		27,757
Contributions - employer	--	869,557	(869,557)
Contributions - employee	--	1,036,991	(1,036,991)
Net investment income (loss)	--	5,010,573	(5,010,573)
Benefit payments, including refunds	(2,086,680)	(2,086,680)	--
Administrative expense	--	<u>(196,784)</u>	<u>196,784</u>
Net Changes	<u>1,541,800</u>	<u>4,633,657</u>	<u>(3,091,587)</u>
Balance at December 31, 2019	<u>\$30,392,014</u>	<u>\$30,550,617</u>	<u>\$(158,603)</u>
Plan fiduciary net position as a percentage of the total pension liability			100.52%

Source: 2019 Audited Financial Statements of the County

## COUNTY FINANCIAL SUMMARY

### Budget Development and Debt Service Covenant

The budget review and preparation process begins annually in early September. Based on year-to-date data through August, the heads of the various County departments and agencies submit budget requests for the following year. The Finance Department then develops the budget by mid-October using the departmental requests, new salary levels, and data concerning federal and state grants. After discussions with the County Commissioners and Chief Clerk, the budget is finalized in late November and presented at a public meeting of the County Commissioners. In accordance with the County Code, public notice is given to allow for a twenty (20) day period during which the proposed budget may be inspected by any citizen of the County. Upon termination of the inspection period and prior to December 31, the County Commissioners, at a publicly announced meeting, adopt the final budget by resolution. The operation of the County is financed through the adoption of the annual budget and the setting of the County tax rates by the Commissioners.

The County has covenanted in the Ordinance authorizing the issuance and sale of the Notes with the holders of the Notes that it will: (1) include the amount of the debt service due on the Notes in each fiscal year for which such sums are payable in the budget for said year; (2) appropriate such amounts to the payment of such debt service; and (3) duly and punctually pay or cause to be promptly paid when due the principal of and the interest on the Notes on the dates and at the places and in the manner stated in the Notes, according to the true intent and meaning thereof. For such budgeting, appropriation and payment, the County has irrevocably pledged in the Ordinance its full faith, credit, and taxing power. The Act further provides that such covenant of the County in the Ordinance shall be specifically enforceable.

### **Accounting and Auditing Policies and Procedures**

Zelenkofske Axelrod LLC, Pittsburgh, Pennsylvania, currently serves as the independent auditor for the County (the “Auditor”). The County’s auditor has not been engaged to perform, and has not performed, since the date of its report included as an appendix to this Official Statement, any procedure on the financial statement addressed in the report. Such auditor also has not performed any procedure relating to this Official Statement.

Effective July 1, 1984, the procedures for Pennsylvania municipalities for budgeting, accounting, and financial reporting were revised in order to provide for a uniform, statistical system of financial management based on GAAP. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The County has implemented and is in compliance with all applicable GASB standards.

### **Basis of Presentation – GASB 34 Comprehensive Annual Financial Report**

With the implementation of GASB Standard #34, the reporting model for the County changed significantly and is presented in the following manner: The Statement of Net Assets and the Statement of Activities provide information about the activities of the County as a whole (government-wide statements) and present a long-term view of the County’s finances. Fund Financial Statements follow and show how services were financed in the short-term and report the County’s Operations in more detail than the government-wide statements. The remaining statements provide financial information about activities which the County acts solely as a trustee or agent for the benefit of those outside of the government.

The fund financial statements include:

*Governmental funds statements* which explain how services were financed in the short term, as well as what remains for future spending. A general fund budgetary comparison statement is provided to demonstrate compliance.

*Fiduciary Funds statements* which reflect activities involving resources that are held by the County as a trustee or agent for individuals, private organizations, or other governmental units. Fiduciary funds are not reflected in the government-wide statements because the resources cannot be used to support the County’s programs.

The financial statements also include notes that provide additional information essential to a full understanding of the financial data provided in the government-wide and fund financial statements as well as required supplementary information regarding the County’s budget. In addition to these required elements, a section is included with detailed individual statements about non-major funds.

The government-wide statements report information about the County as a whole using accounting methods similar to those used by private-sector companies.

The statement of net assets includes all of the County’s assets and liabilities, except fiduciary funds, with the difference between the two reported as net assets. This statement serves a purpose similar to that of the balance of a private-sector business. The statement of activities focuses on how the County’s net assets changed during the year. Because it separates program revenue (revenue generated by specific programs through charges for services, grants and contributions) from general revenue (revenue provided by taxes and other sources not generated by a particular program), it shows to what extent each program has to rely on taxes for funding. All changes in net assets are reported using the accrual method of accounting, which requires that revenues be reported when they are earned and expenses be reported when the goods and/or services are received, regardless of when cash is received or paid.

The County’s government-wide financial statements are divided into two categories:

*Governmental activities* – include the County’s basic services, segregated by type. General government activity is comprised of both administrative and judicial functions. This differs from the fund statements presentation which presents administrative government as general government, and judicial government is presented separately.

*Component unit* – reflecting the activity of the Greene County Industrial Development Authority (IDA) which is a legally separate entity, but the County provides financial support and appoints board members.

The Management Discussion & Analysis, as well as the full financial statements for the County are contained in the annual Single County Audits and are available upon request.

**Investment Policy**

The County Code authorizes the County to invest in U.S. Treasury bills, short-term obligations of the U.S. Government or its agencies or instrumentalities, saving accounts or time deposits of institutions to the extent that they are insured or have approved collateral pledged by the depository, or Obligations of the United States of America, the Commonwealth, or any of its political subdivisions backed by the full faith and credit of each body.

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**County of Greene**  
**Summary of General Fund Revenues, Expenditures and Changes in Fund Balances**  
**For the Years Ended December 31,**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Revenues</b>					
Taxes	\$11,205,649	\$11,790,265	\$11,259,811	\$10,629,273	\$11,309,180
Licenses and Permits	36,680	44,865	40,969	46,999	40,637
Fines and Forfeits	203,137	182,383	176,187	209,600	215,890
Intergovernmental	665,428	1,106,281	829,769	595,791	1,402,944
Charges for Services	5,396,066	4,215,975	4,743,641	5,574,620	6,650,457
Interest	5,124	22,081	29,269	41,560	82,090
Rental Income	296,255	351,953	404,309	338,447	301,942
Donations	92,551	65,889	8,996	10,310	64,740
<b>TOTAL REVENUE</b>	<u>17,900,890</u>	<u>17,779,692</u>	<u>17,492,951</u>	<u>17,446,600</u>	<u>20,067,880</u>
<b>Expenditures</b>					
General Government - Administrative	4,549,097	5,661,971	5,932,352	6,104,792	6,448,222
General Government - Judicial	3,978,033	4,422,269	4,704,633	4,597,790	4,908,297
Public Safety:					
Corrections	3,417,708	3,636,170	3,752,604	3,714,837	3,824,093
EMA/911	414,642	316,407	180,209	181,336	174,019
Public Works:					
Highways and Bridges	-	-	-	-	-
Airport	51,970	75,324	65,437	87,764	97,348
Culture and Recreation:					
Parks and Recreation	1,605,427	1,763,023	1,770,844	1,714,884	1,649,118
Libraries	-	-	-	-	-
Conservation and Development:					
Conservation/development	110,055	122,986	102,590	116,634	119,962
Housing/community development	185,031	77,396	59,700	44,522	40,010
Economic Development	1,114,514	874,925	700,595	874,052	968,067
Tourist Promotion	22,671	19,454	40,662	32,454	42,143
Debt Service <sup>(1)</sup>	85,673	82,969	86,127	89,405	92,808
<b>TOTAL EXPENDITURES</b>	<u>15,534,821</u>	<u>17,052,894</u>	<u>17,395,753</u>	<u>17,558,470</u>	<u>18,364,087</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,366,069</u>	<u>729,798</u>	<u>97,198</u>	<u>(111,870)</u>	<u>1,703,793</u>
<b>Other Financing Sources (Uses)</b>					
Transfers In	642,424	490,639	610,752	571,759	619,935
Other sources from sale of assets/prior period reimbursement	201,278	409,981	202,427	447,472	243,990
Transfers Out	(3,834,612)	(2,655,719)	(1,004,544)	(1,871,802)	(3,322,298)
Other Uses	-	-	-	-	-
<b>Total Other Financing Sources and Uses</b>	<u>(2,990,910)</u>	<u>(1,755,099)</u>	<u>(191,365)</u>	<u>(852,571)</u>	<u>(2,458,373)</u>
Net Changes in Fund Balance	(624,841)	(1,028,301)	(94,167)	(964,441)	(754,580)
<b>Fund Balance – Beginning</b>	<u>4,774,851</u>	<u>4,150,010</u>	<u>3,121,709</u>	<u>3,024,542</u>	<u>2,063,101</u>
<b>Fund Balance – Ending</b>	<u>\$4,150,010</u>	<u>\$3,121,709</u>	<u>\$3,027,542</u>	<u>\$2,063,101</u>	<u>\$1,308,521</u>

Source: Audited Financial Statements of the County

(1) Total bond debt service is paid from the Debt Service Fund. Debt service amounts paid by the County from the Debt Service Fund for the fiscal years 2015 – 2019 are as follows: 2015: \$1,018,482; 2016: \$6,586,968 (includes bond proceeds); 2017: \$917,810; 2018: \$928,022; and 2019: \$997,099.

**County of Greene**  
**Budget For the Year Ended December 31,**

	<u><b>2020</b></u>	<u><b>2021</b></u>
<b>Revenues</b>		
Administration	\$142,860	\$86,696
Building & Grounds	132,790	63,630
Finance	11,345,400	13,343,195
Human Services	1,632,239	1,399,825
Law & Order	4,776,645	2,362,904
Planning & Development	350,416	270,057
Recreation	565,572	430,417
<b>TOTAL REVENUE</b>	<u>18,945,922</u>	<u>17,956,724</u>
<b>Expenditures</b>		
Administration	\$1,686,153	\$1,372,030
Building & Grounds	1,443,206	1,057,073
Finance	3,256,787	5,553,582
Human Services	1,449,544	1,592,571
Law & Order	8,911,673	7,406,801
Planning & Development	875,612	744,866
Recreation	1,322,646	1,229,832
<b>TOTAL EXPENDITURES</b>	<u>\$18,945,621</u>	<u>\$18,956,724</u>

SOURCE: 2021 County of Greene Unified Budget - Proposed.

**SCHEDULE OF INDEBTEDNESS**

Shown below is a summary of the County's outstanding debt (after the issuance of the Notes and the refunding of the 2016 Bonds):

	<u><b>Gross</b></u>
<b>Direct Debt</b>	
General Obligation Notes, Series of 2021 <sup>(1)</sup>	\$5,250,000
Pennsylvania Infrastructure Bank Note, Series of 2018	1,120,000
General Obligation Bonds, Series of 2014	<u>515,000</u>
<b>TOTAL DIRECT DEBT</b>	<u>\$6,885,000</u>
<b>Overlapping Debt <sup>(2)</sup></b>	
School District Debt <sup>(3)</sup>	\$96,258,271
Municipality Debt	<u>32,655,274</u>
<b>TOTAL OVERLAPPING DEBT</b>	<u>\$128,913,545</u>
 <b>TOTAL DIRECT AND OVERLAPPING DEBT</b>	 <u><u>\$135,798,545</u></u>

(1) The Notes offered in this Official Statement.

(2) Source: Pennsylvania Department of Community and Economic Development, as of November 2, 2020. 100% overlapping.

(3) Does not subtract subsidies payable by the Commonwealth of Pennsylvania to school districts.

### Debt Ratio Calculations (including issuance of the Notes)

	<u>Gross Outstanding</u>
Net Direct Debt Per Capita	\$177.97
Net Direct Debt to Market Value	0.29%
Net Direct and Overlapping Debt Per Capita	\$3,510.25
Net Direct and Overlapping Debt to Market Value	5.76%
2010 Population (U.S. Census)	38,686
2019 Market Value	\$2,357,307,655

### Interest Rate Management Plans Related to Outstanding County Debt

On September 24, 2003, the Governor of the Commonwealth of Pennsylvania signed into law legislation that empowers local government units, including township and other municipalities, to enter into “qualified interest rate management agreements” such as swaps and swaptions as a tool to manage interest rate risk. The County does not have any qualified interest rate management agreements outstanding.

### Tax and Revenue Anticipation Borrowing

The County’s tax and revenue anticipation borrowing history is shown in the following table.

<u>Fiscal Year</u>	<u>Tax and Revenue Anticipation Borrowing Amount</u>
2016	\$4,000,000
2017	0
2018	3,500,000
2019	3,500,000
2020	0

In 2020, the County entered into two revolving lines of credit (“LOC”) for the Greene County Children and Youth Services department and the Greene County Human Services department that do not expire on December 31 of each year. The LOCs provide these departments with cash flow independent of state and federal reimbursement schedules, and allow these departments to reimburse payroll to the County on a net 30 basis, negating the need for tax and revenue anticipation borrowing in 2020. The County does anticipate issuing a tax anticipation note in fiscal year 2021.

Source: County Officials

### DEBT LIMITS AND BORROWING CAPACITY OF THE COUNTY

The Debt Act establishes debt limits for local government units on the basis of adjusted revenues received for the last three fiscal years. The Debt Act establishes three classes of debt for a local government unit: (i) electoral debt (debt incurred with the approval of the electors of the municipality, for which there is no limitation in the amount that may be so incurred); (ii) nonelectoral debt (debt of a local government unit not being electoral or lease rental debt, for which the limitation on all such net debt which may be incurred is 300% of the borrowing base for counties); and (iii) lease rental debt (the principal amount of municipal authority debt or debt of another local governmental unit to be repaid by the local government unit through a lease, subsidy contract, guarantee or other form of agreement payable or which may be payable out of tax revenues and other general revenues and for which the limitation on all such net debt which may be incurred, including any net nonelectoral debt incurred, is 400% of the borrowing base for counties).

The following is a calculation of the current “borrowing base” of the County which is the arithmetic average of the total revenues of the County for the last three years after adjustments by the exclusion of certain subsidies, reimbursements, pledged revenues and non-recurring items, as set forth in the Debt Act. Any debt which is approved by the Pennsylvania Department of Community and Economic Development as subsidies or self-liquidating may be deducted or excluded from the determination of any such debt incurred in determining the net debt of the local government unit to which such limitations are applicable. Certain other deductions are allowed in determining debt.



The current Borrowing Base of the County is shown in the following table.

	<b>Fiscal Year Ended June 30,</b>		
	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>
Gross Revenues	\$17,492,951	\$17,446,600	\$20,067,880
Less: Statutory Deductions			
a. Subsidy Rental and Sinking Fund Payments	0	0	0
b. Revenues Pledged for Self-Liquidating Debt	0	0	0
c. Interest on Sinking Funds	0	0	0
d. Grants and Gifts for Special Federally Funded Projects	0	0	0
e. Disposition of Assets and Nonrecurring Items	<u>8,996</u>	<u>10,310</u>	<u>64,740</u>
Net Revenues	\$17,483,955	\$17,436,290	\$20,003,140
 Total Revenues for Three Years			\$54,923,385
 Borrowing Base-Average Total Revenues for Three Year Period			\$18,307,795
<b>Remaining Borrowing Capacity (Under the Local Government Unit Debt Act)</b>			
Non-Electoral Debt Limit – 300% of Borrowing Base			\$54,923,385
Less: Outstanding Non-Electoral Debt <sup>(1)</sup>			\$6,885,000
Current Non-Electoral Borrowing Capacity			\$48,038,385
 Non-Electoral Debt and Lease Rental Limit – 400% of Borrowing Base			\$73,231,180
Less: Outstanding Lease Rental Debt and Non-Electoral Debt <sup>(1)</sup>			\$6,885,000
Current Non-Electoral and Lease Rental Borrowing Capacity			\$66,346,180

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(1) Includes the issuance of the Notes and the refunding of the 2016 Bonds.

## COUNTY TAXING POWER

The County Commissioners fix, by resolution, the rate of taxation for each year in accordance with the County Code. No ad valorem real estate tax for general county purposes in counties of the sixth class, exclusive of the requirements for the payment of rentals to any municipal authority, is permitted in any year to exceed the rate of twenty-five (25) mills on every dollar of the adjusted valuation. However, the County is empowered to levy taxes without limitation as to rate or amount for any debt incurred under the Debt Act, which includes not only general obligation debt, such as the Notes, but also lease rental and guaranty obligations. The County tax rate in 2021 is 9.035 mills for real estate.

The County commissioners of counties of fourth, fifth, sixth, seventh and eighth classes may levy and collect an annual per capita tax on persons for county purposes. Historically, the County had imposed a \$5.00 per capita tax, but eliminated this tax for tax years 1997 and thereafter.

The rate of taxation fixed for any occupation tax levied by a county of the fourth, fifth, sixth, seventh or eighth class is not permitted in any one year to exceed twenty (20) mills. The County does not impose an occupation tax.

### Delinquency Procedures

Real estate tax notices are mailed to all property owners in the County on or before April first of each year, and taxes are due and payable on or before July 31. A discount of two percent is given to all property owners to pay their taxes during the months of April and May, and the face payment period is the months of June and July. Beginning August first, a penalty charge of ten percent is added, along with any additional costs for collection incurred by the County. In addition to these penalties, an interest charge of three-fourths of one percent is levied for each month delinquency, and the County will place a lien on and offer for public sale any property whose taxes remain unpaid for period two years.

## Tax Levy Trends

The following table shows the recent trend of tax rates levied by the County.

<u>Year</u>	<u>Real Estate Tax</u>
2016	7.535 mills
2017	7.535 mills
2018	7.535 mills
2019	7.535 mills
2020	7.535 mills
2021	9.035 mills

Source: Audited financial statements of the County and the Pennsylvania Department of Community and Economic Development.

## Major Real Estate Taxpayers

<u>Taxpayer</u>	<u>Description</u>	<u>2021 Assessed Valuation</u>
Consol Energy, CNX & Subsidiaries	Coal Mining	\$220,042,460
Contura Energy & Subsidiaries <sup>(1)</sup>	Coal Mining	142,881,550
American Consolidated Natural Resources, Inc. <sup>(2)</sup>	Coal Mining	35,256,230
First Energy	Energy	16,534,210
Triple A Minerals	Coal Mining	12,137,140
EQUITRANS/EQM/VISTA	Energy	6,751,580
WVU Medical Corp. <sup>(3)</sup>	Medical	6,559,600
Kirby Developments LLC	Real Estate	5,576,890
ARG EQWBGPA001 LLC	Real Estate	5,416,255
Kari Resources	Real Estate	<u>5,081,135</u>
TOTAL:		\$456,237,050

This list has taxpayers grouped such that if the tax bills for several different company names go to the same address, those were combined. For example, Consolidation Coal includes Consol PA, Conrhein Coal, CNX Thermal, Greene Hill Coal, etc. All of these entities are subsidiaries of Consol.

The total assessed value of the major real estate taxpayers represents approximately 30.9% of the total 2021 assessed value of \$1,475,537,067 of the County.

Source: Chief Financial Officer, County of Greene. CAMA Data as of November 17, 2020.

(1) Certain news outlets have reported a recent sale by Contura of various of its Greene County mining properties, including the Cumberland Mine, to a newly formed entity, Iron Senegy Holding LLC. The County is without adequate information to confirm such reports.

(2) The relevant properties are titled in the name of "Monongalia County Coal Resources, Inc.," a wholly owned subsidiary of American Consolidated Natural Resources, Inc., which is the surviving successor corporation to Murray Energy Corporation, following Chapter 11 bankruptcy proceedings.

(3) Property is currently subject to a tax abatement. However, Central Greene School District is appealing the abatement to have it removed. WVU Medical is concurrently appealing its assessment.

## Real Estate Valuations

<u>Fiscal Year Ended December 31,</u>	<u>Assessed Value</u>	<u>Market Value<sup>(1)</sup></u>	<u>Ratio</u>
2015	\$1,651,250,118	\$2,491,657,137	66.27%
2016	1,618,967,389	2,418,986,638	66.93%
2017	1,574,795,544	2,358,951,864	66.76%
2018	1,538,632,589	2,393,155,755	64.29%
2019	1,552,209,529	2,357,307,655	65.85%
Average Annual % Change	(1.52%)	(1.36%)	

Source: Greene County Office of the Tax Assessor, State Tax Equalization Board

(1) Historically, within previous Official Statements and as posted Operating Data to EMMA, the County had reported its Real Estate Market Valuations as being equal to its Assessed Values, based on the perception that the County's vigorous property appraisal practices were producing assessed values equal to market. Recently, the County has come to determine that this perception may have been incorrect, and that the County's reporting has actually been understating market valuations. Accordingly, this table uses Market Values drawn from the Pennsylvania State Tax Equalization Board, which are believed to constitute a more accurate report on real estate market values in the County.

## Real Estate Tax Collections

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Assessed Value	\$1,651,250,118	\$1,574,795,544	\$1,534,040,699	\$1,521,746,032	\$1,552,209,529
Millage	7.535	7.535	7.535	7.535	7.535
Gross Levy	\$12,442,169.64	\$12,198,919	\$11,866,084	\$11,593,596	\$11,695,898
Current Collections	\$11,067,846	\$11,383,482	\$11,055,500	\$10,790,566	\$10,631,841
% of Levy	89%	93%	93%	93%	91%
Total Collections	\$12,339,305	\$13,017,996	\$12,403,648	\$11,736,712	\$12,416,596
% of Levy	99%	107%	105%	101%	106%

Source: Greene County Fund Accounting System and Greene County Assessment Office. Current Collections include all Discount, Face, and Penalty taxes. Total Collections Include Current Collections plus delinquent taxes collected through the Tax Claim Bureau.

## Major Employers

Major employers in the County are listed below:

<u>Company</u>	<u>Business/Product</u>
Pennsylvania State Government	Government
Consol Pennsylvania Coal Company	Mining
Cumberland Contura LLC	Mining
GMS Mine Repair & Maintenance Inc.	Mining
County of Greene	Government
Monongalia County Coal Company	Mining
The Waynesburg University	Higher Education
Central Greene School District	Public Education
Wal-Mart Associates Inc.	Retail
Washington Health System Greene	Health Care

SOURCE: Pennsylvania Department of Labor & Industry, Center for Workforce Information & Analysis, as of 1<sup>st</sup> Quarter, 2020

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## **APPENDIX B**

### **REGIONAL DEMOGRAPHIC AND ECONOMIC INFORMATION**

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## REGIONAL DEMOGRAPHIC AND ECONOMIC INFORMATION

*The text, charts and tables within this Appendix (unless otherwise footnoted) set forth regional demographic and economic data and descriptions which were obtained from recognized published statistical and governmental reporting services. While the County does not guarantee the accuracy of such data, it does confirm that the same has been obtained from sources deemed to be reliable and that the County has no information which would suggest such data is inaccurate or misleading.*

### Population Composition – 2000, 2010 and 2018 Estimates

	<u>2000</u>	<u>2010</u>	<u>2000-2010 % Change</u>	<u>2018 Estimates</u>
County of Greene	40,672	38,686	(4.88%)	37,144
Pennsylvania	12,281,054	12,702,379	3.4%	12,807,060

SOURCE: United States Census Bureau and American Community Survey, 5 Year Estimates, 2006 – 2010 and 2014 – 2018.

### Per Capita Income – 2000, 2010 and 2018 Estimates

	<u>2000</u>	<u>2010</u>	<u>2000-2010 % Change</u>	<u>2018 Estimates</u>
County of Greene	\$14,959	\$20,258	35.42%	\$26,902
Pennsylvania	\$20,880	\$27,049	29.55%	\$33,960

SOURCE: United States Census Bureau and American Community Survey, 5 Year Estimates, 2006 – 2010 and 2014 - 2018.

### Poverty and Education – 2018 Estimates

	<b>Poverty Level</b>		<b>Education 25 years and Over</b>	
	<b>Persons</b>	<b>Families</b>	<b>High School</b>	<b>College</b>
	<u>Below</u>	<u>Below</u>	<u>Graduate</u>	<u>Graduate</u>
County of Greene	14.8%	11.5%	87.4%	18.2%
Pennsylvania	12.8%	8.7%	91.0%	31.8%

SOURCE: United States Census Bureau and American Community Survey, 5 Year Estimates, 2014 - 2018.

### Housing Units – 2018 Estimates

	<u>Number</u>	<u>Owner Occupied Median Value</u>	<u>Renter Occupied Median Rent</u>
County of Greene	16,683	\$114,400	\$655
Pennsylvania	5,713,136	\$186,000	\$927

SOURCE: United States Census Bureau and American Community Survey, 5 Year Estimates, 2014 - 2018.

## Unemployment Rates

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u> <sup>(1)</sup>
County of Greene							
Civilian Labor Force (000)	18.5	18.1	17.3	16.8	16.6	16.6	16.5
Employment (000)	17.5	17.1	16.0	15.8	15.8	15.8	15.3
Unemployment (000)	1.0	1.1	1.3	1.0	0.8	0.8	1.2
Unemployment Rate	5.6%	6.0%	7.7%	5.9%	4.8%	5.1%	7.0%
Pennsylvania							
Civilian Labor Force (000)	6,391.0	6,424.0	6,472.0	6,425.0	6,424.0	6,492.0	6,357.0
Employment (000)	6,016.0	6,094.0	6,120.0	6,111.0	6,149.0	6,208.0	5,921.0
Unemployment (000)	376.0	330.0	352.0	314.0	276.0	284.0	436.0
Unemployment Rate	5.9%	5.1%	5.4%	4.9%	4.3%	4.4%	6.9%
United States							
Civilian Labor Force (000)	155,922.0	157,130.0	159,187.0	160,320.0	162,075.0	163,539.0	161,053.0
Employment (000)	146,305.0	148,834.0	151,436.0	153,337.0	155,761.0	157,538.0	150,433.0
Unemployment (000)	9,616.0	8,296.0	7,751.0	6,982.0	6,314.0	6,001.0	10,620.0
Unemployment Rate	6.2%	5.3%	4.9%	4.4%	3.9%	3.7%	6.6%

SOURCE: U.S. Department of Labor and Industry, Pennsylvania Bureau of Employment. Not seasonally adjusted.

(1) As of October, 2020.



**APPENDIX C**

**COUNTY OF GREENE  
AUDITED FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

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**COUNTY OF GREENE, PENNSYLVANIA**

WAYNESBURG, PENNSYLVANIA

FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019

COUNTY OF GREENE, PENNSYLVANIA  
YEAR ENDED DECEMBER 31, 2019

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# *Zelenkofske Axlerod LLC*

**CERTIFIED PUBLIC ACCOUNTANTS**

EXPERIENCE | EXPERTISE | ACCOUNTABILITY

## INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners  
County Controller  
County of Greene, Pennsylvania

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the County of Greene, Pennsylvania (County), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. 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 judgement, 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 opinions.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of December 31, 2019, and the respective changes in financial position thereof, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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3800 McKnight East Drive, Suite 3805, Pittsburgh, PA 15237  
34745 Burbage Road, Frankford, DE 19945

2370 York Road, Suite A-5, Jamison, PA 18929  
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# *Zelenkofske Axelrod LLC*

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## ***Change in Accounting Principle***

As described in Note 1 to the financial statements, the County adopted Governmental Accounting Standards Board (GASB) Statement No. 95, "*Postponement of the Effective Dates of Certain Authoritative Guidance*". Our opinion is not modified with respect to this matter.

## ***Emphasis of Matter***

As discussed in Note 15, subsequent events may lead the County to have a significant decrease in revenues. Management has determined that it is not possible to predict the eventual outcome of the subsequent event. The accompanying financial statements do not include any adjustments related to the subsequent event. Our opinion is not modified with respect to this matter.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension information on pages 4 through 16 and 52 through 54, respectively, 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 to not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and other governmental funds and agency funds financial statements are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and other governmental funds and agency funds financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements.



# *Zelenkofske Axlerod LLC*

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## ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 14, 2020 on our consideration of the County of Greene, Pennsylvania'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 County of Greene, Pennsylvania's internal control over financial reporting and compliance.

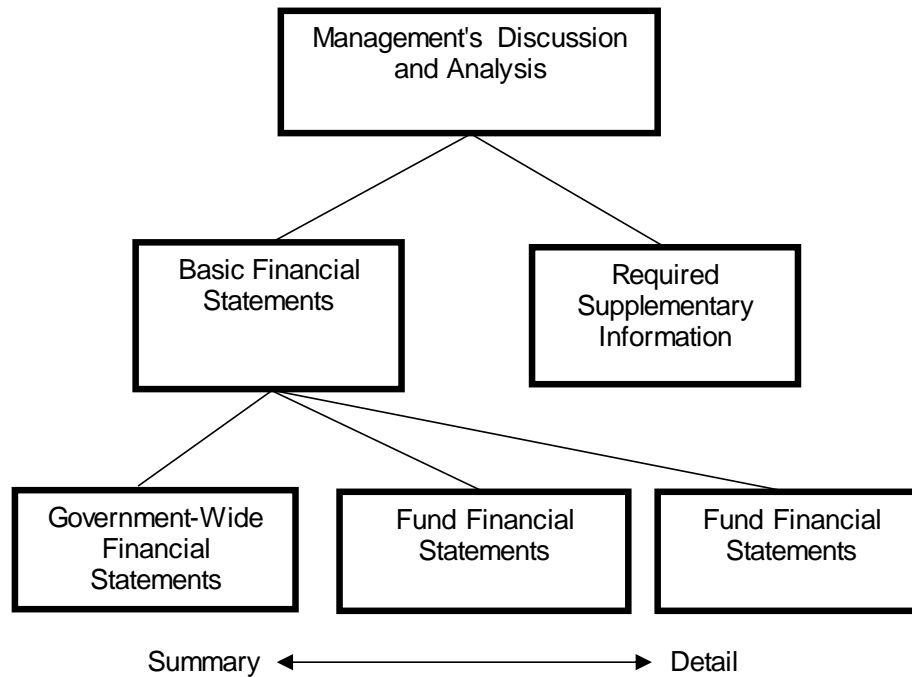
*Zelenkofske Axlerod LLC*

ZELENKOFSCHE AXELROD LLC

Pittsburgh, Pennsylvania  
August 14, 2020

COUNTY OF GREENE, PENNSYLVANIA  
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**REQUIRED COMPONENTS OF THE FINANCIAL STATEMENTS**



The first two statements are government-wide financial statements that provide information about the County's overall financial status. The remaining statements are fund financial statements that focus on individual parts of County government, reporting the County's operations in more detail than the government-wide statements. The fund financial statements include:

1. *Governmental funds statements*, which explain how services were financed in the short term, as well as what remains for future spending. A General Fund budgetary comparison statement is provided to demonstrate compliance.
2. *Fiduciary funds statements*, which reflect activities involving resources that are held by the County as a trustee or agent for individuals, private organizations, or other governmental units. Fiduciary funds are not reflected in the government-wide statements because the resources cannot be used to support the County's programs.

The financial statements also include notes that provide additional information essential to a full understanding of the financial data provided in the government-wide and fund financial statements as well as required supplementary information regarding the County's budget. In addition to these required elements, a section is included with detailed individual statements about non-major funds.

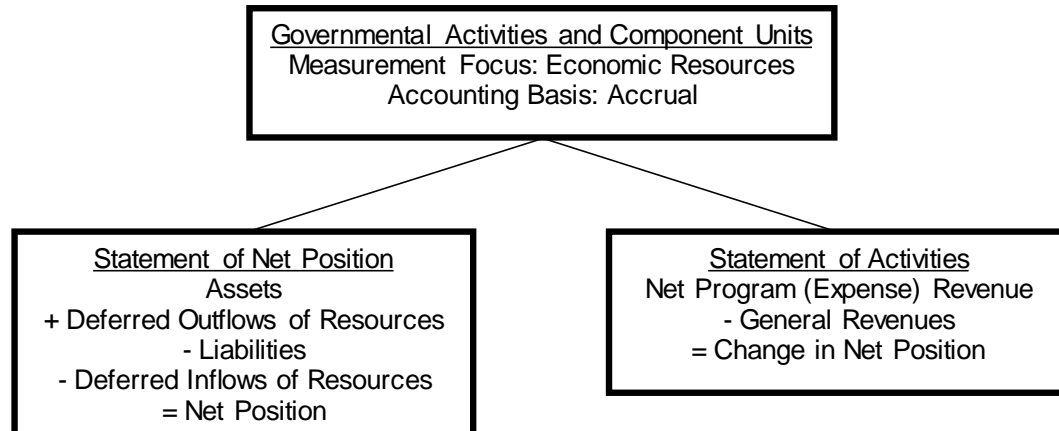
The remainder of this overview explains the structure and contents of the government-wide and fund financial statements.



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**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The government-wide statements report information about the County as a whole using accounting methods similar to those used by private-sector companies. The primary features are reflected in the following diagram.



The Statement of Net Position includes all of the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, except fiduciary funds, with the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources reported as net position. This statement serves a purpose similar to that of the balance sheet of a private-sector business. The Statement of Activities focuses on how the County's net position changed during the year. Because it separates program revenue (revenue generated by specific programs through charges for services, grants and contributions) from general revenue (revenue provided by taxes and other sources not generated by a particular program), it shows to what extent each program has to rely on taxes for funding. All changes in net position are reported using the accrual method of accounting, which requires that revenues be supported when they are earned and expenses be reported when the goods and/or services are received, regardless of when cash is received or paid.

Net position is one way to measure the County's financial position. Over time, increases or decreases in the County's net position are one indicator of whether the County's financial position is improving or deteriorating. However, other non-financial factors must be considered to assess the overall position of the County.

The County's government-wide financials include the County's basic services, segregated by type. General government activity is comprised of both administrative and judicial functions. This differs from the fund statements presentation, which presents administrative government as general government, and judicial government is presented separately. On the next page, four years are shown for comparative purposes.

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**Statement of Net Position**

	Governmental Activities			
	2019	2018	2017	2016
<b>Assets:</b>				
Current and Other Assets	\$22,811,359	\$22,613,695	\$22,705,534	\$21,838,415
Capital Assets	51,793,453	51,205,018	50,603,798	48,468,466
<b>Total Assets</b>	<u>74,604,812</u>	<u>73,818,713</u>	<u>73,309,332</u>	<u>70,306,881</u>
<b>Deferred Outflows of Resources:</b>				
Pension	<u>2,520,315</u>	<u>3,772,628</u>	<u>1,502,246</u>	<u>1,627,568</u>
<b>Liabilities:</b>				
Current Liabilities	13,979,977	11,404,556	9,418,626	9,792,453
Other Liabilities	<u>7,056,340</u>	<u>10,473,020</u>	<u>8,456,759</u>	<u>9,415,247</u>
<b>Total Liabilities</b>	<u>21,036,317</u>	<u>21,877,576</u>	<u>17,875,385</u>	<u>19,207,700</u>
<b>Deferred Inflows of Resources:</b>				
Pension	<u>3,142,701</u>	<u>959,335</u>	<u>839,358</u>	<u>9,671</u>
<b>Net Position:</b>				
Net Investment in Capital Assets	44,737,113	43,215,870	41,770,245	38,818,786
Restricted	8,220,476	8,645,407	9,953,043	4,160,427
Unrestricted	<u>(11,480)</u>	<u>2,893,153</u>	<u>4,373,547</u>	<u>9,737,865</u>
<b>Total Net Position</b>	<u>\$52,946,109</u>	<u>\$54,754,430</u>	<u>\$56,096,835</u>	<u>\$52,717,078</u>

The County owns approximately \$51.7 million in capital assets and the County debt directly related to these assets is \$7 million. The difference of \$44.7 million is the equity the County has in those assets. The chart below shows that for every dollar of debt the County has, it has \$7.34 of assets to match it. The Asset-to-Debt ratio shows a very positive increase in 2019, following another positive increase in 2018. The County's assets and liabilities increased at approximately the same rate, while unrestricted net position decreased.

	2019	2018	2017	2016
Asset-to-Debt Ratios	<u>734%</u>	<u>641%</u>	<u>573%</u>	<u>502%</u>

In the above statement, Deferred Outflows (Inflows) of Resources is defined as a consumption (acquisition) of net position by the government that is applicable to a future reporting period and reflects the differences between projected and actual earnings on the County's pension plan investments. This will be covered in more detail in the section on Fiduciary funds.

The County's liabilities fall into two categories: long-term and short-term. Our long-term liabilities are the 2016 and 2014 bonds. A specified portion of the collected taxes are paid into funds each year to make the payments on these bonds. The full schedule of bonds can be seen in the notes accompanying the financial statements.

	2019	2018	2017	2016
Asset-to-Liability Ratios	<u>355%</u>	<u>337%</u>	<u>410%</u>	<u>365%</u>

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The short-term liabilities, generally speaking, can be divided into two categories: money the County has received for specific purposes, but not yet spent; and money the County owes, but has not yet paid out. The first category, *Unearned Revenue*, increased 24.9% in 2019. The second category primarily consist of *Accounts Payable*. The chart below reflects the accounts payable levels over the past four years. The County has refined its payment terms to Net 28 and makes timely payments on all bill payments.

	2019	2018	2017	2016
Accounts Payable	\$2,478,107	\$1,585,234	\$1,664,797	\$2,366,755

While the County's equity in capital assets has been discussed above in relation to assets, the *net position* portion of the statement also contains the restricted and unrestricted net position. The County's restricted net position are twofold: Debt Service, which is the money dedicated to paying off the County bonds and other purposes, which are restricted for use in various manners. The unrestricted net position is cash or other assets that have no external or legal restrictions regarding their use.

To put all the sections and numbers of the Statement of Net Position in perspective, consider the following:

1. In the simplest terms, the Statement of Net Position shows what the County has in cash and the value of the properties it owns, what the County owes, and the difference between those two numbers. As an analogy, a person has their cash in the bank, their car and house, but they also have bills, a car loan, and a mortgage to pay. If the County were a person, he or she would have over three times more money in the bank than bills and loans to pay, and his house would be worth over seven times what was left to pay on the mortgage.
2. Greene County's asset-to-liability ratio is 3.55:1. This means that for every \$1 owed, we hold \$3.55 in cash or assets.
3. The County's asset-to-debt ratio is 7.34:1, which again means that for every \$1 of debt we have, we hold \$7.34 in assets.

These ratios are exceptional and have remained stable, or increased positively, over several years.

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### Statement of Activities

When the benefit of a service provided by the County goes to an individual or a corporation, the County charges a fee to the individual (fines are also included in this same line item) and this is known as program revenue. The Statement of Activities requires program revenue, and any operating or capital grants and contributions, to be associated with the major department that generated the revenue and also shows separately stated general revenues. Expenses for the departments are shown as well and this statement therefore shows what parts of County government are being funded with tax dollars and what parts are funded by user fees and grants. The statement below is condensed to allow comparative year data to be shown.

Functions/Programs	2019			2018		
	Expenses	Program Revenues	General Revenue Required (Provided)	Expenses	Program Revenues	General Revenue Required (Provided)
Primary government:						
Governmental activities:						
General government	\$ 13,760,134	\$ 5,104,929	\$ (8,655,205)	\$ 12,429,315	\$ 3,478,946	\$ (8,950,369)
Public safety	5,275,050	2,720,972	(2,554,078)	5,259,028	2,447,201	(2,811,827)
Public works	1,121,450	1,859,857	738,407	1,278,202	1,299,465	21,263
Human services	12,736,601	12,087,094	(649,507)	11,188,459	10,590,512	(597,947)
Culture and recreation	3,169,453	1,673,978	(1,495,475)	2,631,206	1,623,935	(1,007,271)
Conservation and econ dev	4,632,049	2,680,781	(1,951,268)	2,977,055	2,152,905	(824,150)
Unallocated depreciation	136,624	-	(136,624)	137,356	-	(137,356)
Interest and amortization	155,126	-	(155,126)	171,612	-	(171,612)
Total activities	<u>\$40,986,487</u>	<u>\$26,127,611</u>	<u>\$ (14,858,876)</u>	<u>\$36,072,233</u>	<u>\$21,592,964</u>	<u>\$ (14,479,269)</u>
General Revenues:						
Property taxes, levied for general purposes			10,970,189			10,632,472
Property taxes, levied for debt service			996,967			1,090,139
Property taxes, levied for library expenditures			101,310			413,509
Interest			273,787			140,239
Rental income			343,856			344,557
Gain (loss) on sale of assets			(26,060)			(26,199)
Reimbursement of prior period expenditures			390,506			542,147
Total general revenues			<u>13,050,555</u>			<u>13,136,864</u>
Change in Net Position			(1,808,321)			(1,342,405)
Net Position:						
Beginning of year			54,754,430			56,096,835
End of year			<u>\$ 52,946,109</u>			<u>\$ 54,754,430</u>

The Statement of Activities shows that the County supported its operations with \$13 million in general revenues, of which \$12 million was general tax revenue. Tax revenues (not rates) decreased slightly and program revenues increased by \$4.5 million, while expenses increased overall, though some areas did have slight decreases. It is important to note that Act 13 funds are considered program revenue, not tax revenue, and therefore, as the County focuses those resources in different departments over the years, large swings in the program revenue can occur.

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Program Revenue Source	2019	2018	2017
Charges for Services	\$ 8,123,515	\$ 7,129,291	\$ 6,158,468
Grants and Contributions	16,575,846	13,223,429	14,431,518
Capital Grants and Contributions	1,428,250	1,240,244	4,122,901
Total Program Revenue	<u>\$ 26,127,611</u>	<u>\$ 21,592,964</u>	<u>\$ 24,712,887</u>

As the above chart shows, revenue streams have been unstable over the last few years. The County has been able to normalize its cash flows with the revenue received from Act 13 (Unconventional Gas Well Impact Fees) revenue. Generally, the County has seen a steady increase in its net for position over the long term, though in 2019, we have experienced a decrease of 1%, following a decrease of 2% in 2018.

Changes in	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Net Position	-3%	-2%	6%	0%	12%	11%	11%	11%

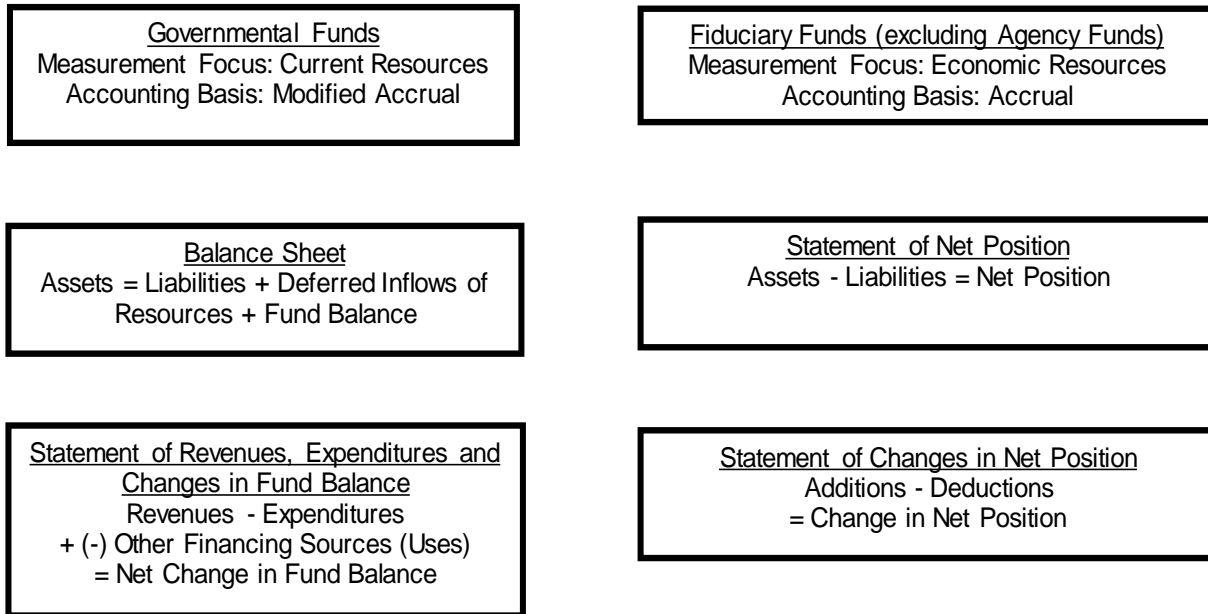
### **FUND FINANCIAL STATEMENTS**

The fund financial statements provide more detailed information about the County's most significant funds (determined by GASB #34), not the County as a whole. Funds are accounting groups that the County uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by state law. The County has two kinds of funds:

1. *Governmental funds* – The County's basic services are included in governmental funds, which focus on: (1) the in and out flow of cash and other financial assets that can be readily converted into cash, and; (2) the balance left at year-end that is available for spending. These funds are reported using the modified accrual accounting basis and a current financial resources measurement focus. Consequently, the governmental funds statements provide a detailed short-term view that helps determine the financial resources available in the near future to finance County programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that follow the governmental fund financial statements. The County adopts an annual budget for the General Fund and the Liquid Fuels Tax Fund. Because it is considered one of the County's major funds, a budgetary comparison schedule is presented for the General Fund, reflected the following: (1) the original budget; (2) the final amended budget; (3) actual revenues and expenditures, and; (4) the variance between the final budget and actual revenues and expenditures. The County's other major funds rely on the availability of federal and state support and, in certain cases, County support which is budgeted in the General Fund. For this reason, no budget is incorporated for these other major funds.
2. *Fiduciary funds* – The County is the trustee, or fiduciary, for the Employee's Retirement System. In addition, the County is also responsible for certain agency funds, which are clearing accounts for assets held by the County in its role as custodian until the funds are allocated to the private parties, organizations, or government agencies to which they belong. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. This fiduciary activity is reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. These funds are excluded from the County's government-wide financial statements because the County cannot use these assets to finance operations.

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The following diagram presents the major features of the fund financial statements, including the information contained therein.



### Governmental Funds

Greene County has three funds this year that are considered *Major* funds for the purpose of GASB #34 reporting; the General Fund, Children and Youth Services Fund, and the Behavioral Health Fund. There are 24 *other* funds that make up the "Other Governmental Funds" on the Governmental Funds Balance Sheet and Statement of Revenue and Expenditures.

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### Major Funds Balance Sheet

The following statement is the major funds balance sheet in its entirety. The General Fund is the primary fund for the County as a whole; it is the fund where property taxes are reported and where most of the non-human services/capital expenditures are recorded.

	General Fund	Behavioral Health	Children and Youth
<u>Assets</u>			
Cash and cash equivalents	\$ 5,893,802	\$ 1,396,307	\$ 61,427
Investments	-	-	-
Due from other funds	5,272,838	864,801	1,365,540
Due from other governments	66,796	46,489	857,119
Taxes receivable	1,485,159	-	-
Accounts receivable	222,210	26,385	32,249
Other assets	37,148	-	-
Total Assets	<u>\$12,977,953</u>	<u>2,333,982</u>	<u>\$2,316,335</u>
<u>Liabilities, Deferred Inflows of Resources, and Fund Balance</u>			
Liabilities:			
Accounts payable	\$ 543,293	\$ 160,230	\$1,041,297
Accrued liabilities and withholdings	1,159,843	-	-
Due to other funds	2,669,192	515,091	1,274,986
Due to other governments	407	-	52
Unearned revenue	6,194,132	1,658,661	-
Total Liabilities	<u>10,566,867</u>	<u>2,333,982</u>	<u>2,316,335</u>
Deferred Inflows of Resources:			
Unavailable revenues - property taxes	<u>1,102,565</u>	-	-
Fund Balance:			
Non-spendable	37,148	-	-
Restricted	2,058	-	-
Committed	10,749	-	-
Unassigned	1,258,566	-	-
Total Fund Balance	<u>1,308,521</u>	<u>-</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$12,977,953</u>	<u>\$ 2,333,982</u>	<u>\$2,316,335</u>

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The General Fund balance sheet shows the cash available at the end of 2019 for operations in the unassigned fund balance of \$1,258,566. This fund balance allows County operations to continue at the beginning of the year (prior to tax collection) and allows the General Fund to assist the other funds of the County and regulate cash flow. The fund balance is also used to cushion accounts receivable and *due from* when the state or federal government is low to reimburse the County for expenditures.

This statement also has *Deferred Inflows of Resources*; in this case, *Unavailable revenues – property taxes*. Where *unearned revenue* is money the County has received but not spent, *deferred inflows* are money the County is owed but has not yet collected.

The General Fund total fund balance incurred a significant change in 2019, and decreased by \$754,580. As will be noted in the Budget section of this report, when Act 13 revenue is brought into the General Fund and either spent or deferred into the following year, large swings in Assets, Liabilities, Revenues, Expenses, and the budget occur. The County is moving to correct this by bringing Act 13 revenue into the Capital Projects fund in the future. The intent of the Act 13 Impact Fee is to address impacts to the County with respect to the Marcellus Shale drilling industry and to do that the County must spend this revenue.

As was noted above, the General Fund balance is used in part to regulate cash flow. This can be seen in the *due from other funds* line for the General Fund, which directly correlates to the *due to other funds* for the 26 other County funds (3 major, 23 other).

The Conservation District was removed from the major funds list for 2019, as assets decreased by \$577,325.

The Behavioral Health Fund and the Children and Youth Fund show no fund balance as, by law, it cannot “carry” funds from one year to the next. Unspent monies are not sent back to the issuing agency, but are instead shown as unearned revenue.

### **Revenue, Expenditures, and Changes in Fund Balance (R&E)**

This statement on the following page is a condensed version of the Governmental Statement of Revenues, Expenditures, and Changes in Fund Balances for 2019. This statement shows the three major funds, what revenues they generated, what expenditures were incurred, any other activity, and then the change in fund balance from the previous year.

#### **The General Fund**

The revenue shown for the General Fund is all normal revenue types that the County collects. Additional revenue, such as the money received from the sale of an asset, is shown under other financing sources (uses).

In 2019, the allocation of monies generated by Act 13 was in the amount of \$6,002,733. This money was earmarked for various Public Safety upgrades and projects within the County (\$2,000,000), Environmental and Recreation (\$1,100,000), Information Technology (\$47,200), Infrastructure (\$911,233), capital upgrades for the courtroom (\$59,800) and the delivery of Human Services (\$1,134,500).

Revenue in the General Fund increased by 15% in 2019 due to Act 13 revenue used in 2019, an increase in revenue received from other governments, and greater tax collection efforts. Expenses in the General Fund also increased by about 4%, with expenses increasing slightly across all functions other than in Culture and Recreation, where expenses decreased slightly for 2019.



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	General Fund	Behavioral Health	Children and Youth
<u>Revenues:</u>			
Taxes	\$ 11,309,180	\$ -	\$ -
Intergovernmental	1,402,944	2,444,798	5,321,427
Charges for service, fines, & permits	6,906,984	-	97,778
Interest	82,090	11,486	3,479
Rental income	301,942	-	-
Donations	64,740	1,568	2,832
Total revenues	<u>20,067,880</u>	<u>2,457,852</u>	<u>5,425,516</u>
<u>Expenditures:</u>			
Administration	6,448,222	-	-
Judicial	4,908,297	-	-
Public safety	3,998,112	-	-
Public works	97,348	-	-
Human services	-	2,536,753	6,606,058
Culture & recreation	1,649,118	-	-
Conservation & economic development	1,170,182	-	-
Debt service	92,808	-	-
Total expenditures	<u>18,364,087</u>	<u>2,536,753</u>	<u>6,606,058</u>
Excess (Deficiency) of Revenues Over Expenditures	1,703,793	(78,901)	(1,180,542)
<u>Other Financing Sources (Uses):</u>			
Transfers in	619,935	171,401	1,365,540
Other sources from sale of assets/ prior period reimbursement	243,990	-	1,460
Transfers out	(3,322,298)	(92,500)	(186,458)
Total other financing sources (uses)	<u>(2,458,373)</u>	<u>78,901</u>	<u>1,180,542</u>
Net Change in Fund Balance	<u>(754,580)</u>	<u>-</u>	<u>-</u>
Beginning of year	<u>2,063,101</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ 1,308,521</u>	<u>\$ -</u>	<u>\$ -</u>

The other financing sources (uses) section shows specifically *transfers in*, *other sources*, and *transfers out* and *other uses*. *Transfers in* are made up of administrative fees paid to the General Fund by departments that have their own source of revenues and that are allowed to reimburse the County for specific expenses (i.e., phone services, office space, payroll services, and computer services). These include all Human Services departments, Tourism, Domestic Relations, the 911 Center, and a portion of Adult Probation.

The calculation of the fund balance decrease is shown at the bottom of this statement and is then carried over to the Balance Sheet. For 2019, the fund balance decreased \$754,580 for the General Fund. While the Balance Sheet tells us what the fund balance is at the end of the year, the Statement of Revenue, Expenditures, and Changes in Fund Balance tells us where the money was spent, and who paid for it.

COUNTY OF GREENE, PENNSYLVANIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2019

### Behavioral Health & Children and Youth Services Funds

These funds cover the Mental Health and Intellectual & Developmental Disabilities programs and the Children and Youth Services program. The revenue section shows that the majority of the funding for these programs comes from state and federal sources. Expenditures basically match revenue and, as noted above in the Balance Sheet section, these funds are not allowed to show a fund balance, i.e., they have no "equity", only money that they are given to spend that they may have not spent in the current year. The *other financing sources (uses)* section of this statement shows the County contribution to these programs (*transfers in*) and the reimbursement from the programs to the County for services (*transfers out*).

### Other Governmental Funds

The 24 funds that make up this group are not shown on the above statements and are too numerous to list and discuss. Activity for all these funds can be seen in the accompanying financial statements and the notes to those statements.

### Fiduciary Funds

The County reports three Fiduciary Funds. These Funds are holding accounts – they contain money that is being held, but not owned by, the County. At the end of the year, the assets will equal the liabilities.

	Employees Pension Plan	Tax Claim Bureau	Escrow Accounts
<u>Assets</u>			
Cash and cash equivalents	\$ 636	\$ 427,254	\$ 630,035
Investments	30,359,191	-	-
Due from other funds	86,124	-	29,950
Accounts receivable	108,648	-	-
Total Assets	<u>\$ 30,554,599</u>	<u>\$ 427,254</u>	<u>\$ 659,985</u>
<u>Liabilities</u>			
Investment manager fees payable	\$ 3,981	\$ -	\$ -
Due to other governments	-	427,254	575,759
Due to other funds	-	-	84,226
Total Liabilities	<u>3,981</u>	<u>\$ 427,254</u>	<u>\$ 659,985</u>
<u>Net Position</u>			
Restricted for Pension Benefits	<u>\$ 30,550,618</u>		

The first shown in the above chart is a *Trust* fund; the County Pension Plan. The chart below shows the growth and decline of the Pension Net Position in relation to the S&P 500 Index, as well as showing the County contribution to the fund over the past several years.

COUNTY OF GREENE, PENNSYLVANIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2019

**County Pension Plan:**

	2019	2018	2017	2016	2015
S&P Index growth (decline)	28.90%	-4.38%	21.83%	11.96%	1.38%
Pension Net Position growth (decline)	17.87%	-4.00%	13.21%	6.68%	-1.56%
County Contribution	\$869,557	\$739,715	\$627,838	\$385,000	\$329,082

It is important to note that additions to the pension fund (including the County and employee contributions and market value increases) and deductions from the pension fund (in the form of pension benefits, refunds of contributions, and administrative expenses) are included in the above *Pension Net Position* line in the above chart.

The County contributes to the pension fund annually and this contribution is based on an actuarial valuation that is partially reimbursed by state programs such as Children & Youth Services and Human Services.

The Greene County Pension Fund, on 1/1/2019 was determined to be 100.52% funded. The pension plan assumes a 7.5% return on investment with respect to assets in the market. As seen in the above chart, the actual performance was 17.87%. The County contributed \$869,557 to the pension fund in 2019 and achieved its goal of obtaining a fully funded status.

**GENERAL FUND BUDGETARY HIGHLIGHTS AND MANAGEMENT'S DISCUSSION AND ANALYSIS SUMMARY**

The County budget process for any given year starts five months before the year begins and continues throughout the 12 months of that year. For 2019, when the preliminary budget was passed in 2018, the County did not yet have many of the benefit rates for the upcoming year, various assessment issues had not been finalized, The Act 13 allocation amount was unknown, and several grants for various departments were not yet guaranteed.

During the course of the year, these issues were resolved and the budget was amended to reflect these changes accurately. Additionally, unanticipated revenues and reductions in revenue were incorporated along with additions or reductions in spending in accordance with the County Code.

The Budget and Actual statement can be viewed on page 23 of the financial statements. During the course of the year, budget revisions incorporated changes into the budget as grant amounts were finalized and the actual amount of the 2019 Act 13 allocations became known.

In late 2019, the County decided on the use of the Act 13 Impact Fee's received during the year and as the Board of Commissioners decided to defer a substantial amount of that funding into the 2020 General Fund budget, the revenue received under *Charges for service* in 2019 was lowered, and the *transfer out* of those funds in the Capital Reserve fund that was anticipated did not take place.

Other notable Final-to-Actual variances were seen in higher than anticipated expenses in *General Government – Judicial* (\$316,939) due to increases in personnel and overtime in the courts system.

Debt Principal is not currently budgeted in the General Fund as the County has a Sinking Fund, as required by the covenants in the Bond Issues.

COUNTY OF GREENE, PENNSYLVANIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2019

**Summary**

The many favorable financial ratios, reduction of debt, and the completion of major development projects indicate that the County continues to be well-managed with respect to budget, policy, investment, control, and audit.

The County's finances remain strong; however, the decrease in the County's net position consecutive years with the General Fund balance, taken in conjunction with rising unemployment in the County, mine closures, and the decline in the County population, requires the County to proceed carefully.

This report is designed to provide citizens, taxpayers, investors, customers, and creditors with a general overview of Greene County finances and to demonstrate accountability for the funds it receives. Questions concerning this report, the financial management policies of the County, or requests for additional information should be directed to:

Jeff Marshall, Chief Clerk  
93 East High Street  
Waynesburg, PA 15370

COUNTY OF GREENE, PENNSYLVANIA  
STATEMENT OF NET POSITION  
DECEMBER 31, 2019

Assets	Governmental Activities
Cash and cash equivalents	\$ 17,950,396
Investments	424,037
Receivables:	
Taxes receivable, net of allowance	1,498,952
Due from other governments	2,106,358
Accounts receivable	626,236
Other assets	46,777
Net Pension Asset	158,603
Capital assets not being depreciated	6,168,140
Capital assets, net of accumulated depreciation	<u>45,625,313</u>
Total Assets	<u>74,604,812</u>
Deferred Outflows of Resources	
Deferred outflows of resources for pension	<u>2,520,315</u>
Liabilities	
Accounts payable	2,478,107
Accrued liabilities and withholdings	1,159,873
Accrued interest payable	42,437
Due to other governments	459
Unearned revenue	9,771,486
Accrued compensated absences	527,615
Bonds and lease payable:	
Amount due within one year	966,340
Amount due in more than one year	<u>6,090,000</u>
Total Liabilities	<u>21,036,317</u>
Deferred Inflows of Resources	
Deferred inflows of resources for pension	<u>3,142,701</u>
Net Position	
Net investment in capital assets	44,737,113
Restricted for:	
Debt service	1,512,368
Other purposes	6,708,108
Unrestricted	<u>(11,480)</u>
Total Net Position	<u><u>\$ 52,946,109</u></u>

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

COUNTY OF GREENE, PENNSYLVANIA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary government:					
Governmental activities:					
General government	\$ 13,760,134	\$ 3,308,026	\$ 1,796,903	\$ -	\$ (8,655,205)
Public safety	5,275,050	1,829,780	891,192	-	(2,554,078)
Public works	1,121,450	108,846	1,714,660	36,351	738,407
Human services	12,736,601	1,130,813	10,956,281	-	(649,507)
Culture and recreation	3,169,453	1,357,842	316,136	-	(1,495,475)
Conservation and economic development	4,632,049	388,208	900,674	1,391,899	(1,951,268)
Unallocated depreciation	136,624	-	-	-	(136,624)
Interest and amortization	155,126	-	-	-	(155,126)
Total governmental activities	<u>\$ 40,986,487</u>	<u>\$ 8,123,515</u>	<u>\$ 16,575,846</u>	<u>\$ 1,428,250</u>	<u>\$ (14,858,876)</u>
General revenues:					
Property taxes, levied for general purposes					10,970,189
Property taxes, levied for debt service					996,967
Property taxes, levied for library expenditures					101,310
Interest					273,787
Rental income					343,856
Gain (loss) on sale of assets					(26,060)
Reimbursement of prior period expenditures					390,506
Total general revenues					<u>13,050,555</u>
Change in Net Position					(1,808,321)
Net Position:					
Beginning of year					<u>54,754,430</u>
End of year					<u>\$ 52,946,109</u>

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

COUNTY OF GREENE, PENNSYLVANIA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2019

	General Fund	Behavioral Health	Children and Youth	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>					
Cash and cash equivalents	\$ 5,893,802	\$ 1,396,307	\$ 61,427	\$ 10,598,860	\$ 17,950,396
Investments	-	-	-	424,037	424,037
Due from other funds	5,272,838	864,801	1,365,540	1,345,125	8,848,304
Due from other governments	66,796	46,489	857,119	1,135,954	2,106,358
Taxes receivable	1,485,159	-	-	13,793	1,498,952
Accounts receivable	222,210	26,385	32,249	261,166	542,010
Other assets	37,148	-	-	9,629	46,777
Total Assets	<u>\$ 12,977,953</u>	<u>\$ 2,333,982</u>	<u>\$ 2,316,335</u>	<u>\$ 13,788,564</u>	<u>\$ 31,416,834</u>
<u>Liabilities</u>					
Accounts payable	\$ 543,293	\$ 160,230	\$ 1,041,297	\$ 617,213	\$ 2,362,033
Accrued liabilities and withholdings	1,159,843	-	-	30	1,159,873
Due to other funds	2,669,192	515,091	1,274,986	4,420,883	8,880,152
Due to other governments	407	-	52	-	459
Unearned revenue	6,194,132	1,658,661	-	1,918,693	9,771,486
Total Liabilities	<u>10,566,867</u>	<u>2,333,982</u>	<u>2,316,335</u>	<u>6,956,819</u>	<u>22,174,003</u>
<u>Deferred Inflows of Resources</u>					
Unavailable revenues - property taxes	<u>1,102,565</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,102,565</u>
<u>Fund Balance</u>					
Non-spendable	37,148	-	-	-	37,148
Restricted	2,058	-	-	8,218,418	8,220,476
Committed	10,749	-	-	-	10,749
Unassigned	1,258,566	-	-	(1,386,673)	(128,107)
Total Fund Balance	<u>1,308,521</u>	<u>-</u>	<u>-</u>	<u>6,831,745</u>	<u>8,140,266</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 12,977,953</u>	<u>\$ 2,333,982</u>	<u>\$ 2,316,335</u>	<u>\$ 13,788,564</u>	<u>\$ 31,416,834</u>

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

COUNTY OF GREENE, PENNSYLVANIA  
 RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT  
 OF NET POSITION  
 DECEMBER 31, 2019

Total Fund Balance - Governmental Funds	\$	8,140,266
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets, including infrastructure and construction in progress used in governmental activities, are not current financial resources and, therefore, not reported as assets in the governmental funds.		51,793,453
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Property taxes receivable will be collected next year but are not considered available soon enough to pay for the current period's expenditures and, therefore, are reported as deferred inflows in the funds.		1,102,565
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The actuarially accrued net pension liability, deferred outflows and deferred inflows of resources for pension are not recorded on the fund financial statements.		(463,783)
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Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:

	Compensated absences	(527,615)	
	GO bonds/leases	(7,056,340)	
	Accrued interest on bonds	(42,437)	
		(7,626,392)	

Total Net Position - Governmental Activities	\$	52,946,109
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COUNTY OF GREENE, PENNSYLVANIA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2019

	General Fund	Behavioral Health	Children and Youth	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes	\$ 11,309,180	\$ -	\$ -	\$ 1,266,145	\$ 12,575,325
Licenses and permits	40,637	-	-	-	40,637
Fines and forfeits	215,890	-	-	-	215,890
Intergovernmental	1,402,944	2,444,798	5,321,427	8,749,452	17,918,621
Charges for service	6,650,457	-	97,778	989,073	7,737,308
Interest	82,090	11,486	3,479	176,732	273,787
Rental income	301,942	-	-	41,914	343,856
Donations	64,740	1,568	2,832	16,334	85,474
<b>Total revenues</b>	<b>20,067,880</b>	<b>2,457,852</b>	<b>5,425,516</b>	<b>11,239,650</b>	<b>39,190,898</b>
<b>Expenditures:</b>					
General government - administration	6,448,222	-	-	2,010,776	8,458,998
General government - judicial	4,908,297	-	-	905,150	5,813,447
Public safety:					
Corrections	3,824,093	-	-	-	3,824,093
EMA/911	174,019	-	-	970,789	1,144,808
Police	-	-	-	37,084	37,084
Public works:					
Highways and bridges	-	-	-	1,101,087	1,101,087
Airport	97,348	-	-	27,538	124,886
Human Services:					
Child/youth services	-	-	6,606,058	-	6,606,058
Drug and alcohol	-	-	-	792,423	792,423
Mental health/intellectual disability	-	2,536,753	-	-	2,536,753
Other human services	-	-	-	1,339,432	1,339,432
Transportation	-	-	-	1,272,126	1,272,126
Culture and recreation:					
Parks and recreation	1,649,118	-	-	1,467,380	3,116,498
Libraries	-	-	-	286,722	286,722
Conservation and economic development:					
Conservation/development	119,962	-	-	1,813,518	1,933,480
Housing/community development	40,010	-	-	1,421,901	1,461,911
Economic development	968,067	-	-	-	968,067
Tourist promotion	42,143	-	-	197,828	239,971
Debt service:					
Debt interest	-	-	-	156,951	156,951
Debt principal	92,808	-	-	840,000	932,808
<b>Total expenditures</b>	<b>18,364,087</b>	<b>2,536,753</b>	<b>6,606,058</b>	<b>14,640,705</b>	<b>42,147,603</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>1,703,793</b>	<b>(78,901)</b>	<b>(1,180,542)</b>	<b>(3,401,055)</b>	<b>(2,956,705)</b>
<b>Other Financing Sources (Uses):</b>					
Transfers in	619,935	171,401	1,365,540	1,785,357	3,942,233
Other sources from sale of assets/ prior period reimbursement	243,990	-	1,460	145,056	390,506
Transfers out	(3,322,298)	(92,500)	(186,458)	(340,977)	(3,942,233)
<b>Total other financing sources (uses)</b>	<b>(2,458,373)</b>	<b>78,901</b>	<b>1,180,542</b>	<b>1,589,436</b>	<b>390,506</b>
<b>Net Change in Fund Balance</b>	<b>(754,580)</b>	<b>-</b>	<b>-</b>	<b>(1,811,619)</b>	<b>(2,566,199)</b>
<b>Fund Balance:</b>					
Beginning of year	2,063,101	-	-	8,643,364	10,706,465
End of year	\$ 1,308,521	\$ -	\$ -	\$ 6,831,745	\$ 8,140,266

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

COUNTY OF GREENE, PENNSYLVANIA  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
 BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED DECEMBER 31, 2019

Net Change in Fund Balance - Governmental Funds \$ (2,566,199)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlays	2,540,930	
Less: Depreciation expense	<u>(1,952,495)</u>	588,435

The governmental funds recorded revenue when it is available and measurable, whereas these revenues are recorded when earned in the statement of activities. This is the difference in revenue recognition between the two methods. (377,179)

The issuance of long-term obligations (e.g., bonds, loans, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term obligations consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. 932,808

Governmental funds recognize interest on long-term obligations as an expenditure when it is due and thus, requires the use of current financial resources. In the statement of activities, interest expense is recognized as the interest accrues, regardless of when it is due. The change in interest accrued in the statement of activities over the amount due is shown here. 1,825

The change in the Net Pension Liability is reflected in the Statement of Activities but is not considered an available resource in the fund financial statements. (343,822)

In the statement of activities, certain operating expenses-accumulated employee benefits (pensions, service and buy-back of unused sick days) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used. This amount represents the difference between the amount earned versus the amount used. (44,189)

Change in Net Position of Governmental Activities \$ (1,808,321)

COUNTY OF GREENE, PENNSYLVANIA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE – BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<u>Revenues:</u>				
Taxes	\$10,917,941	\$10,917,941	\$ 11,309,180	\$ 391,239
Licenses and permits	43,733	43,733	40,637	(3,096)
Fines and forfeits	225,000	225,000	215,890	(9,110)
Intergovernmental	508,561	511,731	1,402,944	891,213
Charges for services	5,981,300	6,504,250	6,650,457	146,207
Interest	28,410	28,410	82,090	53,680
Rental income	324,132	324,132	301,942	(22,190)
Miscellaneous	34,966	34,966	64,740	29,774
Total revenues	<u>18,064,043</u>	<u>18,590,163</u>	<u>20,067,880</u>	<u>1,477,717</u>
<u>Expenditures:</u>				
General government - administration	8,135,651	6,437,304	6,448,222	(10,918)
General government - judicial	3,903,349	4,591,358	4,908,297	(316,939)
Public safety:				
Corrections	3,254,291	3,874,809	3,824,093	50,716
EMA/911	137,515	169,912	174,019	(4,107)
Public works:				
Airport	61,590	61,590	97,348	(35,758)
Culture and recreation:				
Parks and recreation	1,513,076	1,750,056	1,649,118	100,938
Conservation and economic development:				
Conservation/development	99,597	118,948	119,962	(1,014)
Housing/community development	-	-	40,010	(40,010)
Economic development	810,698	900,704	968,067	(67,363)
Tourism	47,861	62,118	42,143	19,975
Debt Service	-	-	92,808	(92,808)
Total expenditures	<u>17,963,628</u>	<u>17,966,799</u>	<u>18,364,087</u>	<u>(397,288)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>100,415</u>	<u>623,364</u>	<u>1,703,793</u>	<u>1,080,429</u>
<u>Other Financing Sources (Uses):</u>				
Transfers in	606,277	606,277	619,935	13,658
Other sources from sale of assets/prior period reimbursement	279,225	279,225	243,990	(35,235)
Transfers out	(1,264,897)	(1,787,847)	(3,322,298)	(1,534,451)
Other uses	(10,000)	(10,000)	-	10,000
Total other financing sources (uses)	<u>(389,395)</u>	<u>(912,345)</u>	<u>(2,458,373)</u>	<u>(1,546,028)</u>
Net Change in Fund Balance	<u>\$ (288,980)</u>	<u>\$ (288,981)</u>	<u>\$ (754,580)</u>	<u>\$ (465,599)</u>

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

COUNTY OF GREENE, PENNSYLVANIA  
STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
DECEMBER 31, 2019

	Employees Pension Plan	Tax Claim Bureau	Escrow Accounts
<u>Assets</u>			
Cash and cash equivalents	\$ 636	\$ 427,254	\$ 630,035
Cash investments	1,180,102	-	-
Equity funds	7,446,610	-	-
Common stock equities	9,532,206	-	-
Debt securities	12,200,273	-	-
Due from other funds	86,124	-	29,950
Accounts receivable	108,648	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Assets	<u>\$ 30,554,599</u>	<u>\$ 427,254</u>	<u>\$ 659,985</u>
<u>Liabilities</u>			
Investment manager fees payable	\$ 3,981	\$ -	\$ -
Due to other governments	-	427,254	575,759
Due to other funds	-	-	84,226
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Liabilities	<u>3,981</u>	<u>427,254</u>	<u>659,985</u>
<u>Net Position</u>			
Restricted for Pension Benefits	<u>\$ 30,550,618</u>	<u>\$ -</u>	<u>\$ -</u>

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

COUNTY OF GREENE, PENNSYLVANIA  
STATEMENT OF CHANGES IN NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2019

Additions:	Employees Pension Plan
Contributions:	
Employer	\$ 869,557
Employee	<u>1,036,991</u>
Total contributions	<u>1,906,548</u>
Investment earnings (loss):	
Net increase in fair value of investments	4,266,235
Interest and dividends	<u>744,339</u>
Net investment earnings (loss)	<u>5,010,574</u>
Total additions	<u>6,917,122</u>
Deductions:	
Pension benefits and refunds paid	2,086,680
Administrative expenses	<u>196,784</u>
Total deductions	<u>2,283,464</u>
Change in Net Position	4,633,658
Net Position Restricted for Pension Benefits:	
Beginning of year	<u>25,916,960</u>
End of year	<u><u>\$ 30,550,618</u></u>

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

COUNTY OF GREENE, PENNSYLVANIA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the County's significant accounting policies consistently applied in the preparation of the accompanying financial statements is as follows:

The County of Greene (County), located in western Pennsylvania, is a sixth class county established under the "Pennsylvania County Code", as amended.

A. Reporting Entity

The County follows the criteria promulgated by the Governmental Auditing Standards Board ("GASB") Statement No. 61, *"The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34"*, for purposes of determining the scope of its reporting entity. As required by accounting principles generally accepted in the United States of America, the financial statements include those of the County of Greene (the "Primary Government") and its Component Units. The County has determined there to be several blended component units.

Blended Component Units

Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government, and the individual financial statements may be obtained by contacting the County Controller's Office. The following agencies were reviewed and were determined to be blended component units of the County and are included as other governmental funds:

- Greene County Fair Board
- Greene County Soil Conservation District
- Greene County Library System
- Greene County Tourism Promotion Agency
- Greene County Redevelopment Authority

Related Organizations

The following agencies were reviewed and were determined not to be component units of the County; however, they are considered to be related organizations:

- Greene County Food Bank
- Greene County Memorial Hospital Authority
- Washington-Greene Community Action Corporation
- Washington-Greene Job Training Council
- Greene County Housing Authority
- Greene County Industrial Development Authority

Upon review, it was determined that these agencies are either not fiscally dependent on the County, the County does not appoint the majority of the governing board, or are joint ventures in which the County has no equity interest.

COUNTY OF GREENE, PENNSYLVANIA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2019

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements

The Government-wide financial statements (i.e., statement of net position, and the statement of activities) report information on all the non-fiduciary activities of the primary government. The effect of interfund activity has been removed from these statements.

The Statement of Activities demonstrates the degree to which direct expenses of a given function, or segment, are affected by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

Program revenues include 1) Charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) Grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, the proprietary fund and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and the major enterprise fund are reported as separate columns in the fund financial statements.

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

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

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as other financing sources. Amounts paid to reduce long-term indebtedness of the reporting government are reported as reductions of the related liability, rather than as expenditures.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available.

Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 365 days of the end of the current fiscal period with the exception of property taxes which must be received within 60 days of the year end to be deemed available. Expenditures generally are recorded when a liability is

COUNTY OF GREENE, PENNSYLVANIA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2019

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

incurred, as under accrual accounting. Licenses, operating and capital grants, and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable only when the cash is received by the County.

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of "available spendable resources". Governmental funds operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during the period.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as other financing sources rather than as a fund liability. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The County reports the following major governmental funds:

- The General Fund is the primary government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenues of this fund are primarily derived from real estate taxes, state and federal grants, and fees for services. Many of the basic activities of the County are accounted for in this fund including operation of general County government, boards, commissioners, the court system, and health and welfare services.
- The Children and Youth Services Fund is used to account for proceeds of revenue received from various federal, state, and local sources. This fund is restricted for the provisions of the specified social services to eligible recipients.



COUNTY OF GREENE, PENNSYLVANIA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2019

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

- The Behavioral Health Fund accounts for expenditures and reimbursement of Commonwealth of Pennsylvania Medical Assistance revenue related to the provision of a mandatory Behavioral Health Managed Care Program. The Fund includes expenditures and reimbursement of revenue related to providing treatment services to individuals who suffer from mental disabilities or with drug and alcohol issues.

Additionally, the County reports the following fiduciary fund types:

- The Employee's Pension Plan (Plan) is issued to account for the pension plan for the County employees. The Plan is accounted for in essentially the same manner as a proprietary fund, since capital maintenance is critical.
- The Tax Claim Bureau and Escrow Accounts are custodial in nature and do not involve measurement of results of operations. The Escrow Accounts are used to account for cash collected by elected row officers (Register of Wills, Recorder of Deeds, Prothonotary, Sheriff, Clerk of Courts, and District Magistrates) and other County offices that are subsequently disbursed to the County General Fund, other governments, or individuals for whom it was collected.

D. Assets, Liabilities, and Net Position or Fund Balance

1. Cash and Cash Equivalents

The County considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

2. Investments

Investments of the County are reported at fair value. Investments that do not have an established market value are reported at estimated values.

3. Interfund Transactions

The County affects a variety of transactions between funds to finance operations. Certain interfund transactions have not been paid or received as of December 31, 2019, and appropriate interfund receivables or payables have been established accordingly.

COUNTY OF GREENE, PENNSYLVANIA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2019

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Position or Fund Balance (Continued)

4. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the governmental activity column in the government-wide financial statements. Property, plant and equipment with initial, individual costs that equal or exceed \$5,000 and estimated useful lives of over one year are recorded as capital assets. The County adopted the provisions of GASB 34 related to infrastructure on the retroactive basis. Capital assets are recorded at historical costs or estimated historical costs if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are completed.

Capital assets of the County are depreciated using the straight line method over the following intended useful lives:

Infrastructure	40 - 60 years
Building	40 years
Equipment	3 - 15 years
Vehicles	10 years

5. Allowance for Doubtful Accounts

Taxes receivable have been reported net of allowance for doubtful accounts of \$61,166.

6. Long-Term Obligations

In the government-wide financial statements, long-term debts are reported as liabilities in the Statement of Net Position and bond discounts and premiums are deferred and amortized over the life of the bonds using the straight line method. Bond issuance costs are expensed as incurred.

In the fund financial statements, the face amount of debt issued is reported as other financing sources.

7. Compensated Absences

The balance in this account represents the amount to be provided for accrued employee benefits. This is the amount that the County would pay for the buy-back of accrued sick leave and severance pay. The County policy for buying back sick days is that once a year employees may exchange any number of accrued sick days at a rate of \$50 per day for the number of days greater than 22. The policy also provides that, at retirement, the County will buy back all accrued sick days at the rate of \$50 per day. Severance pay is a one-time payment of \$5,000 to a retiring employee who has 20 years of service at age 55 or has five years of service and is at least

COUNTY OF GREENE, PENNSYLVANIA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2019

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Position or Fund Balance (Continued)

7. Compensated Absences (Continued)

62 years of age. Severance pay is accrued as employees approach service limits. The balances of accrued employee benefits are as follows:

Amount for potential sick day buy-backs non-retirement eligible	\$ 118,600
Amount for sick day buy-backs retirement eligible	86,050
Amount for severance pay	290,000
Amount for compensated absences for non-exempt and union	<u>32,965</u>
 Total Compensated Absences Liability	 <u>\$ 527,615</u>

8. Inventories

General Fund inventories of consumable materials and supplies are not valued or recorded on the balance sheet. The cost is expensed at the time the individual inventory items are purchased.

9. Unearned Revenues

Unearned revenues are reported in the government-wide, enterprise fund, and governmental fund financial statements. Unearned revenues represent unearned revenues or revenues which are measurable but not available and, in accordance with the modified accrual basis of accounting, are reported as unearned revenues. The County deems revenues received within 365 days of year end to be available with the exception of property taxes which must be received within 60 days of year end to be deemed available.

10. Deferred Inflows and Outflows of Resources Related to Pensions

The net difference between projected and actual investment earnings, changes in assumptions and the difference between expected and actual experience are recorded as a deferred inflow or outflow of resources related to pensions on the government-wide financial statements. These amounts are determined based on the actuarial valuation performed for the County. The differences noted above are recognized over 5 years for deferred outflows and inflows of resources related to the net difference between projected and actual investment earnings, and 5.6 years for deferred inflows and outflows of resources related to the difference between expected and actual experience. Note 8 presents additional information about the Pension Plan.

COUNTY OF GREENE, PENNSYLVANIA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2019

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Position or Fund Balance (Continued)

11. Net Position/Fund Balances

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

- *Net Investment in Capital Assets* – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation
- *Unrestricted Net Position* – This category represents net position of the County, not restricted for any project or other purpose.

GASB Statement No. 54 establishes accounting and financial standards for all governments that report governmental funds. It establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions as follows:

- *Non-spendable* – This classification consists of accounts that cannot be spent because they are not in spendable form.
- *Restricted* – This classification consists of amounts that are restricted to specific purposes. The County's restricted fund balances consist of external enabling legislation for the state, federal, or local government.
- *Committed* – This classification consists of amounts used for specific purposes imposed by formal action of the County's Board of Commissioners. The removal or modification of the use of committed funds can only be accomplished by a formal action of the Commissioners prior to fiscal year end.
- *Assigned* – This classification consists of amounts constrained by the County's intent to be used for specific purposes that are neither restricted nor committed. The County Commissioners have delegated the authority to assign fund balance for specific purposes to the Chief Clerk and the County Controller.
- *Unassigned* – This classification consists of amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the General

COUNTY OF GREENE, PENNSYLVANIA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2019

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Position or Fund Balance (Continued)

11. Net Position/Fund Balances (Continued)

- Fund. The General Fund is the only fund permitted to report a positive unassigned fund balance.

E. Pending Changes in Accounting Principles

In November 2016, the GASB issued Statement No. 83, "*Certain Asset Retirement Obligations*". The County is required to adopt Statement No. 83 for its fiscal year 2020 financial statements.

In January 2017, the GASB issued Statement No. 84, "*Fiduciary Activities*". The County is required to adopt Statement No. 84 for its fiscal year 2020 financial statements.

In June 2017, the GASB issued Statement No. 87, "*Leases*". The County is required to adopt Statement No. 87 for its fiscal year 2022 financial statements.

In April 2018, the GASB issued Statement No. 88, "*Certain Disclosures related to Debt, Including Direct Borrowings and Direct Placements*". The County is required to adopt Statement No. 88 for its fiscal year 2020 financial statements.

In June 2018, the GASB issued Statement No. 89, "*Accounting for Interest Cost Incurred before the End of a Construction Period*". The County is required to adopt statement No. 89 for its fiscal year 2021 financial statements.

In August 2018, the GASB issued Statement No. 90, "*Majority Equity Interests, an Amendment of GASB Statements No. 14 and No. 61*". The County is required to adopt Statement No. 90 for its fiscal year 2020 financial statements.

In May 2019, the GASB issued Statement No. 91, "*Conduit Debt Obligations*". The County is required to adopt Statement No. 91 for its fiscal year 2022 financial statements.

In January 2020, the GASB issued Statement No. 92, "*Omnibus 2020*". The County is required to adopt Statement No. 92 for its fiscal year 2022 financial statements.

In March 2020, the GASB issued Statement No. 93, "*Replacement of Interbank Offered Rates*". The County is required to adopt Statement No. 93 for its fiscal year 2022 financial statements.

In March 2020, the GASB issued Statement No. 94, "*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*". The County is required to adopt Statement No. 94 for its fiscal year 2023 financial statements.

In June 2020, the GASB issued Statement No. 96, "*Subscription-Based Information Technology Arrangements*". The County is required to adopt Statement No. 96 for its fiscal year 2023 financial statements.

COUNTY OF GREENE, PENNSYLVANIA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2019

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Pending Changes in Accounting Principles (Continued)

In June 2020, the GASB issued Statement No. 97, "*Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*". The County is required to adopt Statement No. 97 in full for its fiscal year 2022 financial statements.

The County has not yet completed the various analysis required to estimate the financial statement impact of these new pronouncements.

F. Adoption of Governmental Accounting Standards Board Statements

The County adopted the provisions of GASB Statement No. 95, "*Postponement of the Effective Dates of Certain Authoritative Guidance*". The adoption of this statement had no effect on previously reported amounts.

NOTE 2: BUDGETARY DATA

Annual budgets are required to be adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund. The budgetary controls for all other governmental funds are maintained through enforcement of related grant provisions and indentures.

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Starting in August and September, the Budget Director prepares a budget package that is sent to each department and row officer. The department or agency heads use this budget package to develop financial projections for the ensuing year, which are then submitted to the budget staff.
2. The budget staff enters this information into budget spreadsheets. The Chief Clerk then reviews the information that is obtained, accumulates questions, and then schedules a meeting to discuss the proposed budget with the department heads and row officers.
3. Once the budget staff is satisfied with the department's budget numbers, the budget is presented in preliminary form to the County Board of Commissioners (Commissioners). The County Commissioners can interview department or agency heads to discuss their budgets if deemed necessary.
4. Upon consolidation of the department and agency expenditure projections, the County Commissioners ascertain the most viable method of financing them.
5. Subsequently, the Budget Director assembles the preliminary projections of revenues and expenditures into a final budget incorporating any revisions or adjustments resulting from the aforementioned County Commissioners' review.
6. By early December, the final budget is presented to the County Commissioners. Pursuant to budgetary requirements as set forth in the County Code, public

COUNTY OF GREENE, PENNSYLVANIA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2019

NOTE 2: BUDGETARY DATA (CONTINUED)

6. notice is given that the final budget is available for inspection for a period of 20 days.
7. After the 20 day inspection period, but no later than December 31, the County Commissioners adopt the final budget by enacting an appropriate resolution.

Legally, management of the County may make budgetary transfers between departments as long as overall fund expenditures are not affected. Department heads may make budgetary transfers within their own department as long as overall department expenditures are not affected. However, as a matter of control, all such transfers are ratified by the County Commissioners. The County Commissioners may at any time, by resolution, make supplemental appropriations for any lawful purpose from any funds on hand or estimated to be received within the fiscal year and not otherwise appropriated, including the proceeds of any borrowing now or hereafter authorized by law. The County Commissioners may authorize the transfer of any unencumbered balance of any appropriation item or any portion thereof. The County Commissioners must approve changes to overall appropriations at the fund level. Therefore, the legal level of budgetary responsibility is by fund.

Budgets are not implemented for the Capital Projects Fund. All transactions of the Capital Projects Fund are approved by the County Commissioners prior to commitment, thereby constructively achieving budgetary control.

NOTE 3: DEPOSITS AND INVESTMENTS

Governmental Activities

Pennsylvania statutes provide for investment of governmental funds into certain authorized investment types including U.S. Treasury bills, other short-term U.S. and Pennsylvania government obligations, insured or collateralized time deposits, and certificates of deposit. The statutes do not prescribe regulations related to demand deposits; however they do allow the pooling of governmental funds for investments purposes.

In addition to the investments authorized for governmental funds, fiduciary fund investments may also be made in corporate stocks and bonds, real estate, and other investments consistent with sound business practice.

The deposit and investment policy of the County adheres to state statutes and prudent business practice. Deposits of the governmental funds are either maintained in demand deposits, savings accounts, and/or certificates of deposit. There were no deposit or investment transactions during the year that were in violation of either the state statutes or the policy of the County.

GASB Statement No.40, "*Deposit and Investment Risk Disclosures*", requires disclosures related to the following deposits and investment risks: credit risks (including custodial credit risk and concentrations of credit risk), and interest rate risk. The following is a description of the County's deposit and investment risks:

*Custodial Credit Risk* – The risk that, in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a formal deposit policy for custodial credit risk. As of December 31, 2019, \$1,008,871 of the County's \$18,397,173 bank balance was insured by the Federal Deposit Insurance Corporation. The remaining bank

COUNTY OF GREENE, PENNSYLVANIA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2019

NOTE 3: DEPOSITS AND INVESTMENTS (CONTINUED)

Governmental Activities (Continued)

balance of \$17,388,302 was exposed to custodial credit risk, which is collateralized in accordance with Act 72 of the Pennsylvania state legislature, which requires the institution to pool collateral for all governmental deposits and have the collateral held by an approved custodian in the institution's name. These deposits have a carrying value of \$17,950,396 as of December 31, 2019 and are classified as cash and cash equivalents in the statement of net position.

The County also has investments of \$424,037 invested in certificates of deposit at local financial institutions. These accounts are recorded as an investment on the statement of net position and the governmental funds balance sheet. As of December 31, 2019, \$4,998 of the bank balance of \$424,037 was insured by the Securities Investor Protection Corporation. The remaining bank balance of \$419,039 was exposed to custodial credit risk, which is collateralized in accordance with Act 72 of the Pennsylvania state legislature, which requires the institution to pool collateral for all governmental deposits and have the collateral held by an approved custodian in the institution's name.

*Interest Rate Risk* – The County has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. All investments in certificates of deposit have an average maturity of less than one year.

Agency Funds

The County maintains bank accounts for the elected row officers, other County offices, and tax claim. The balance of these accounts is reflected in the statement of fiduciary net position. The carrying amount of deposits for the row offices and other County offices was \$630,035 and the bank balance was \$664,206. The carrying amount of deposits for the Tax Claim Bureau was \$427,254 and the bank balance was \$449,628. The bank balances were not covered by federal depository insurance; however, they were collateralized in accordance with Act 72 of the Pennsylvania state legislature, which requires the institution to pool collateral for all governmental deposits and has the collateral held by an approved custodian in the institution's name.

Employees' Pension Plan

The Employees' Pension Plan (Plan) investments are held separately from those of other County Funds. Investments were consistent with those authorized. The Plan investments must be liquid or marketable. The County's investment policy expressly prohibits investments in high risk derivatives securities, options, selling short commodities, and letter stock.



COUNTY OF GREENE, PENNSYLVANIA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2019

## NOTE 3: DEPOSITS AND INVESTMENTS (CONTINUED)

Employees' Pension Plan (Continued)

As of December 31, 2019, the County had the following investments in the Plan:

Cash or Investment Type	Investment Maturities (In Years) from December 31, 2019					
	Fair Value	Less than 1 Year	1-5 Years	6-10 Years	11-15 Years	16 or More Years
U.S. Treasuries	\$ 3,630,861	\$ 130,295	\$ 1,109,308	\$ 1,144,814	\$ -	\$ 1,246,444
U.S. Government Agency Obligations	1,504,511	-	280,308	439,879	18,765	765,559
Municipal Bonds and Notes	1,208,641	95,421	653,926	459,294	-	-
Foreign Bonds	105,545	-	-	105,545	-	-
Corporate Bonds	5,750,715	379,281	4,517,503	667,845	-	186,086
Total debt securities	12,200,273	\$ 604,997	\$ 6,561,045	\$ 2,817,377	\$ 18,765	\$ 2,198,089
Cash investments	1,180,102					
Equity funds	7,446,610					
Common stock equities	9,532,206					
Total cash investments, and other investments	18,158,918					
Total cash, cash equivalents, and investments reported on statement of net position	\$ 30,359,191					

The County's categorize its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The County's Plan has the following recurring fair value measurements at December 31, 2019:

Investments by Fair Value Level:	December 31, 2019	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Treasuries	\$ 3,630,861	\$ 3,630,861	\$ -	\$ -
U.S. Government Agency Obligations	1,504,511	1,504,511	-	-
Municipal Bonds and Notes	1,208,641	1,208,641	-	-
Foreign Bonds	105,545	105,545	-	-
Corporate Bonds	5,750,715	5,750,715	-	-
Equity Funds	7,446,610	7,446,610	-	-
Common Stock	9,532,206	9,532,206	-	-
Cash investments	1,180,102	1,180,102	-	-
Total investments measured at fair value	\$ 30,359,191	\$ 30,359,191	\$ -	\$ -

COUNTY OF GREENE, PENNSYLVANIA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2019

NOTE 3: DEPOSITS AND INVESTMENTS (CONTINUED)

Employees' Pension Plan (Continued)

The following is a description of the Plan deposit and investment risks:

*Credit Risk* – The risk that an issuer or other counterparty to an investment will not fulfill its obligations is called credit risk. The Plan has no formal investment policy that would limit its investment choices based on credit ratings by nationally recognized statistical rating organizations. As of December 31, 2019, the Plan investments in fixed income bonds have received the following ratings from Standard & Poor's:

<u>Investment Type</u>	<u>Rating</u>	<u>Debt Securities</u>
Municipal Bonds	AAA	1.45%
Municipal Bonds	AA+	1.20%
Municipal Bonds	AA	6.85%
Municipal Bonds	A+	0.88%
Municipal Bonds	A	0.88%
Municipal Bonds	A-	0.23%
Municipal Bonds	BBB+	1.32%
Municipal Bonds	Unrated	1.28%
Government Agencies	AA+	6.28%
Government Agencies	Unrated	11.28%
Foreign Bonds	A+	1.24%
Corporate Bonds	AAA	1.49%
Corporate Bonds	AA+	2.17%
Corporate Bonds	AA-	2.67%
Corporate Bonds	A+	7.91%
Corporate Bonds	A	7.61%
Corporate Bonds	A-	10.94%
Corporate Bonds	BBB+	9.38%
Corporate Bonds	BBB	5.64%
Corporate Bonds	BBB-	5.64%
Corporate Bonds	BB	1.21%
Corporate Bonds	Unrated	12.45%
		<u>100.00%</u>

*Custodial Credit Risk* – Custodial credit risk is the risk that in the event of the failure of the bank or counterparty, the Plan will not be able to recover the value of their deposits or investments or collateral securities that are in the possession of an outside entity. The Plan does not have a formal deposit or investment policy for custodial credit risk. As of December 31, 2019, the County's entire pension investment balance was exposed to custodial credit risk.

COUNTY OF GREENE, PENNSYLVANIA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2019

NOTE 3: DEPOSITS AND INVESTMENTS (CONTINUED)

Employees' Pension Plan (Continued)

*Concentration of Credit Risk* – The County places no limit on the amount the Plan may invest in any one issuer.

*Interest Rate Risk* – The Plan does not have a formal deposit or investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

NOTE 4: REAL ESTATE TAXES

Real estate taxes attach as an enforceable lien on property as of January 1 and are levied on April 1. Taxes paid through May 31 are given a 2% discount. Amounts paid after July 31 are assessed a 10% penalty. The assessed value, upon which the 2019 levy was based, was \$1,538,622,493. The tax rate to finance General Government Services, Debt Services, and Library Services for the year ended December 31, 2019 was 6.77 mills, 0.695 mills, and .07 mills, respectively.

NOTE 5: REAL ESTATE TAXES RECEIVABLE

Uncollected real estate taxes on the current tax duplicate are returned by the County Treasurer to the tax claim bureau of the County on January 15<sup>th</sup> following the year of the unpaid levy as required by local tax collection law. The County also collects delinquent real estate taxes on behalf of other taxing authorities.

The statement of net position contains the balance of all taxes receivable, regardless of when they will be collected, and includes an allowance for uncollectible taxes. The County calculates its allowance for uncollectible accounts based on historical collection data.

The General Fund taxes receivable balance is calculated as follows:

Year Tax Levied	Amount of Unpaid Tax	Percentage of Tax Believed to be Uncollectible	Taxes Receivable Net of Allowance for Uncollectible
1943-2013	\$ 292,586	20.0%	\$ 234,069
2014-2016	148,697	1.0%	147,210
2017-2018	387,380	0.3%	386,218
2019	<u>717,662</u>	0.0%	<u>717,662</u>
	<u>\$ 1,546,325</u>		<u>\$ 1,485,159</u>

NOTE 6: DUE FROM OTHER GOVERNMENTS

Amounts due from other governments represent receivables for revenues earned by the County or collections made by another governmental unit on behalf of the County. Most significant are carry-forward receivable balances on various federal and state operating programs.

COUNTY OF GREENE, PENNSYLVANIA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2019

## NOTE 7: CAPITAL ASSETS

The following table illustrates the changes in capital assets as they have occurred during 2019:

	Balance at January 1, 2019	Additions	Deletions	Balance at December 31, 2019
<u>Governmental Activities:</u>				
Capital assets not being depreciated:				
Land	\$ 2,459,894	\$ -	\$ -	\$ 2,459,894
Construction in progress	<u>7,127,626</u>	<u>1,533,806</u>	<u>4,953,186</u>	<u>3,708,246</u>
Total capital assets not being depreciated	<u>9,587,520</u>	<u>1,533,806</u>	<u>4,953,186</u>	<u>6,168,140</u>
Capital assets being depreciated:				
Buildings and improvements	21,818,076	246,119	-	22,064,195
Vehicles	2,000,825	-	-	2,000,825
Furniture and equipment	4,679,093	787,065	-	5,466,158
Infrastructure assets	<u>31,641,613</u>	<u>4,927,126</u>	<u>-</u>	<u>36,568,739</u>
Total capital assets being depreciated	<u>60,139,607</u>	<u>5,960,310</u>	<u>-</u>	<u>66,099,917</u>
Less accumulated depreciation for:				
Buildings and improvements	8,951,756	573,336	-	9,525,092
Vehicles	1,071,331	173,355	-	1,244,686
Furniture and equipment	3,616,379	490,766	-	4,107,145
Infrastructure assets	<u>4,882,643</u>	<u>715,038</u>	<u>-</u>	<u>5,597,681</u>
Total accumulated depreciation	<u>18,522,109</u>	<u>1,952,495</u>	<u>-</u>	<u>20,474,604</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>41,617,498</u>	<u>4,007,815</u>	<u>-</u>	<u>45,625,313</u>
Governmental capital assets, net	<u>\$ 51,205,018</u>	<u>\$ 5,541,621</u>	<u>\$ 4,953,186</u>	<u>\$ 51,793,453</u>

COUNTY OF GREENE, PENNSYLVANIA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2019

NOTE 7: CAPITAL ASSETS (CONTINUED)

Included in equipment above is \$447,649 of assets purchased under a capital lease. These assets have a net value of \$96,340.

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

General government	\$ 343,142
Public safety	324,007
Public works	778,629
Human services	123,572
Culture and recreation	241,137
Community and economic development	5,384
Unallocated depreciation	<u>136,624</u>
 Total depreciation expense - governmental activities	 <u><u>\$ 1,952,495</u></u>

NOTE 8: PENSION PLAN

Plan Description

The County contributes to the Greene County Employee Pension Plan (Plan), a single employer defined benefit public employee retirement system, which is self-administered by the County. The Plan is governed by County Pension Law Act 96 of 1971 (Act), as amended, enacted by the General Assembly of the Commonwealth of Pennsylvania. The Plan was established January 1, 1993, with its most recent amendment dated January 1, 1999.

The Retirement Board (Board) administers the Plan. Management of the Plan is vested in the Board, which consists of five members – three elected County Commissioners, the County Controller, and the County Treasurer.

All full-time employees, with 1,000 hours of service, are eligible to participate in the Plan.

At December 31, 2019, Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	125
Inactive plan members entitled to but not yet receiving benefits	16
Active plan members	<u>293</u>
 Total plan members	 <u><u>434</u></u>

Summary of Significant Accounting Policies

Financial information of the County's Plan is presented on the accrual basis of accounting. Plan member contributions are recognized when due as required by the Act. Benefits and refunds are recognized when due and payable in accordance with the terms of the individual plan.

COUNTY OF GREENE, PENNSYLVANIA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2019

NOTE 8: PENSION PLAN (CONTINUED)

Summary of Significant Accounting Policies (Continued)

Investments of the Plan are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Real estate assets are reported at fair value utilizing an income approach to valuation. By contract, an independent appraisal is obtained once every year to determine the fair market value of the real estate assets.

Benefits Provided

Participants in the Plan are 100% vested after five years of service. The Plan provides the following benefits:

*Retirement Benefit* – A participant is entitled to begin receiving retirement benefits at age 60 or after completing 20 years of service and involuntary retirement upon completion of eight years of service. The scheduled monthly retirement benefit is 1.00% and 1.25% of 1/12 of the participant's final average salary multiplied by years of credited service on the 1/100 and 1/80 Class, respectively, plus a monthly annuity based on the actuarial equivalent of the member's accumulated contribution with credited interest. A member may elect to receive the actuarial equivalent of his retirement benefit as a full cash refund annuity (Option One) or a reduced joint and survivor pension payable for the remainder of his life with either 100% or 50% of the member's pension continuing after death to the designated beneficiary. A member may also elect to receive in one payment, the full amount of his accumulated deductions and continue to receive the annuity provided by the County.

*Disability Benefit* – If a participant becomes totally and permanently disabled prior to normal retirement age and after completion of five years of credited service, the participant is entitled to receive a monthly disability benefit. The scheduled benefit is a total monthly pension commencing on the last day of the month following disability retirement equal to 25% of the 1/12<sup>th</sup> of Final Average Salary at time of retirement. Such total monthly pension shall include the monthly disability that is actuarially equivalent to the member's accumulated contributions at retirement.

*Death Benefit* – If a participant's death occurs after having attained age 60 or having completed 10 years of credited service, the beneficiary will receive a lump sum equal to the actuarially determined present value of the benefits calculated above based on the member's Final Average Salary and credited service at time of death plus the member's accumulated contributions with interest at time of death. If a participant's death occurs after retirement the beneficiary will receive survivor benefits, if any, in accordance with the form under which benefits were being paid to the member. In any event, the total amount of benefits paid to the deceased member and beneficiary must at least equal the member's accumulated contributions with interest.

*Cost of Living Adjustments* – Cost of living adjustments must be reviewed at least once every three years by the Board.

COUNTY OF GREENE, PENNSYLVANIA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2019

NOTE 8: PENSION PLAN (CONTINUED)

Contributions and Funding Policy

The Plan's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as a percentage of annual covered payroll, are sufficient to accumulate sufficient assets to pay benefits when due. Level percentage of payroll employer contribution rates are determined using the entry age funding method and the same actuarial assumptions used to calculate the pension benefit calculation.

As a condition of participation, employees are to currently contribute 7% of their salary as stipulated in the Plan. Interest is credited to employee accounts each year at the annual rate of 4.5% as voted upon by the Board. Employees who terminate prior to retirement eligibility receive their accumulated member contributions plus credited interest through the date of termination. The rate was 4.0% through December 31, 1995, 5.0% through December 31, 1997, and 5.5% through December 31, 2008. The rate became 4.5% starting January 1, 2009.

The County's actuarially determined contribution to the Plan for 2019 was \$869,557, which was also the County's contribution.

Changes in the Net Pension Liability (Asset)

The changes in the net pension liability (asset) of the County for the year ended December 31, 2019 were as follows:

	Increase/(Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balances as of December 31, 2018	\$ 28,850,214	\$ 25,916,960	\$ 2,933,254
Changes for the year:			
Service cost	1,406,243		1,406,243
Interest	2,194,480		2,194,480
Differences between expected and actual	27,757		27,757
Contributions - employer	-	869,557	(869,557)
Contributions - employee	-	1,036,991	(1,036,991)
Net investment income (loss)	-	5,010,573	(5,010,573)
Benefit payments, including refunds	(2,086,680)	(2,086,680)	-
Administrative expense	-	(196,784)	196,784
Net Changes	1,541,800	4,633,657	(3,091,857)
Balances at December 31, 2019	<u>\$ 30,392,014</u>	<u>\$ 30,550,617</u>	<u>\$ (158,603)</u>
Plan fiduciary net position as a percentage of the total pension liability			<u>100.52%</u>

COUNTY OF GREENE, PENNSYLVANIA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2019

NOTE 8: PENSION PLAN (CONTINUED)

Changes in the Net Pension Liability (Asset) (Continued)

*Actuarial Assumptions* – The total pension liability (asset) was determined by an actuarial valuation performed on January 1, 2019, and rolled forward to December 31, 2019, using the following actuarial assumptions, applied to all periods in the measurement:

Actuarial assumptions:

Investment rate of return	7.5%
Projected salary increases	4.5%
Underlying inflation rate	3.0%

Mortality rates based on RP-2013 Annuitant and Non-Annuitant Mortality Tables for males and females with no projected improvement.

Actuarial assumptions based on past experience under the plan and reasonable future expectations which represent the best estimate of anticipated experience under the plan. An actuarial experience study was performed during 2016; however, no modifications to assumptions were made as a result.

*Investment Policy* – The Plan's policies in regard to the allocation of invested assets is established and may be amended by the Board by a majority vote of its members. It is the policy of the Board to pursue an investment strategy that reduces risks through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The following was the Board's asset allocation policy for the 2019 measurement period:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic equity	40% - 60%
International equity	Included in above
Fixed income	35% - 55%
Real estate/Alternative	0%
Cash	0% - 10%

*Long-Term Expected Rate of Return* – The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges 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. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation for the 2019 measurement period are summarized in the table on the following page:



COUNTY OF GREENE, PENNSYLVANIA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2019

NOTE 8: PENSION PLAN (CONTINUED)

Changes in the Net Pension Liability (Asset) (Continued)

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	5.4-6.4%
International Equity	5.5-6.5%
Fixed Income	1.3-3.3%
Real Estate/Alternative	4.5-5.5%
Cash	0.0-1.0%

*Rate of Return* – The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the year ended December 31, 2019, the annual money-weighted rate of return on the Plan investments, net of investment expense, was 18.97%.

*Concentrations* – The Plan had no individual investments in excess of 5% of the Plan's fiduciary net position at December 31, 2019.

*Discount Rate* – The discount rate used to measure the total pension liability for the Plan was 7.5%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability (i.e., no depletion date is projected to occur).

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate* – The following presents the net pension liability (asset) of the Plan calculated using the discount rate described above, as well as what the Plan's net position liabilities (assets) would be if they were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rates:

	<u>1% Decrease (6.5%)</u>	<u>Current Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
Net Pension Liability (Asset)	\$ 3,026,090	\$ (158,603)	\$ (2,857,744)

COUNTY OF GREENE, PENNSYLVANIA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2019

NOTE 8: PENSION PLAN (CONTINUED)

Pension Expense and Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2019, the County recognized pension expense of approximately \$1,213,379. At December 31, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to the pension from the sources:

Deferred Outflows of Resources:

Differences between expected and actual experience	\$ 357,100
Net difference between projected and actual earnings on pension plan investments	<u>2,163,215</u>
Total deferred outflows of resources	<u>\$ 2,520,315</u>

Deferred Inflows of Resources:

Differences between expected and actual experience	\$ 262,465
Net difference between projected and actual earnings on pension plan investments	<u>2,880,236</u>
Total deferred inflows of resources	<u>\$ 3,142,701</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31,

2020	\$ 7,831
2021	(51,050)
2022	72,380
2023	(654,069)
2024	<u>2,522</u>
Total	<u>\$ (622,386)</u>

NOTE 9: DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to full-time County employees at their option, permits participants to defer a portion of their salary until future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

It is the opinion of the County's legal counsel that the County has no liability for losses under the Plan, but does have the duty of due care that would be required of an ordinary and prudent investor.

COUNTY OF GREENE, PENNSYLVANIA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2019

NOTE 10: LONG-TERM DEBT OBLIGATIONS

The changes in long-term obligations payable during the year ended December 31, 2019 are as follows:

	At December 31, 2018	Repayments	At December 31, 2019	Due Within One Year
G. O. Bond 2014	\$ 2,030,000	\$ (755,000)	\$ 1,275,000	\$ 760,000
G. O. Bond 2016	5,770,000	(85,000)	5,685,000	110,000
Capital Lease	189,148	(92,808)	96,340	96,340
	<u>\$ 7,989,148</u>	<u>\$ (932,808)</u>	<u>\$ 7,056,340</u>	<u>\$ 966,340</u>

General Obligation Bonds

During January 2014, the County issued \$5,400,000 in General Obligation Bonds to currently refund the 2008 series bond issuance. Interest payments are payable semi-annually on January 15 and July 15, with rates ranging from .32% to 2.40%.

Year Ending December 31,	Principal Amount	Interest Amount	Total
2020	\$ 760,000	\$ 20,340	\$ 780,340
2021	515,000	6,180	521,180
Total	<u>\$ 1,275,000</u>	<u>\$ 26,520</u>	<u>\$ 1,301,520</u>

During February 2016, the County issued \$5,780,000 in General Obligation Bonds to currently refund the 2011 series bond issuance. Interest payments are payable semi-annually on January 15, and July 15 with rates ranging from 1.00% to 2.375%. The cash flow savings and economic gain approximated \$370,000.

Year Ending December 31,	Principal Amount	Interest Amount	Total
2020	\$ 110,000	\$ 119,131	\$ 229,131
2021	380,000	114,231	494,231
2022	915,000	101,281	1,016,281
2023-2027	4,280,000	216,965	4,496,965
Total	<u>\$ 5,685,000</u>	<u>\$ 551,608</u>	<u>\$ 6,236,608</u>

COUNTY OF GREENE, PENNSYLVANIA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2019

NOTE 10: LONG-TERM DEBT OBLIGATIONS (CONTINUED)

Maturities of all outstanding bonds of the County, in the aggregate, are as follows:

<u>Year Ending December 31,</u>	<u>Principal Amount</u>	<u>Interest Amount</u>	<u>Total</u>
2020	\$ 870,000	\$ 139,471	\$ 1,009,471
2021	895,000	120,411	1,015,411
2022	915,000	101,281	1,016,281
2023-2027	<u>4,280,000</u>	<u>216,965</u>	<u>4,496,965</u>
Total	<u>\$ 6,960,000</u>	<u>\$ 578,128</u>	<u>\$ 7,538,128</u>

Capital Lease

During 2016, the County entered into a lease with Ford Business Machines in the amount of \$447,649 with an interest rate of 3.74% for a period of 60 months for copiers. The payments on the lease are due as follows:

<u>Year Ending December 31,</u>	<u>Principal Amount</u>	<u>Interest Amount</u>	<u>Total</u>
2020	\$ 96,340	\$ 1,964	\$ 98,304
Total	<u>\$ 96,340</u>	<u>\$ 1,964</u>	<u>\$ 98,304</u>

NOTE 11: CONTINGENT LIABILITIES

A. Grant Programs

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the state government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor, cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

B. Litigation

At this time, the County is not involved in any material litigation.

NOTE 12: RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the County carries commercial insurance. There have been no significant changes in insurance coverage in any of the past three years.

COUNTY OF GREENE, PENNSYLVANIA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2019

NOTE 13: EXPENDITURES IN EXCESS OF APPROPRIATIONS

For the year ended December 31, 2019, the General Fund's total expenditures exceeded total appropriations by \$397,288. This amount was covered by actual revenues exceeding budgeted amounts in the amount of \$1,477,717 as well as fund balance.

NOTE 14: FUND BALANCE

Under GASB 54, fund balances are recorded as non-spendable, restricted, committed, assigned, and unassigned. The following restrictions are included in the fund financial statements:

Fund	Fund Balance	Amount
<b>Major Funds:</b>		
General Fund	Non-spendable:	
	These amounts are prepaid expenses.	\$ 37,148
	Restricted Funds:	
	These funds are restricted for the Slater Poor Fund.	2,058
	Committed Funds	
	These funds are committed for HRA expenses.	10,749
<b>Non-Major Funds:</b>		
Special Revenue Funds	Restricted Funds:	
	These funds are restricted within the departments of General Government	515,028
	These funds are restricted within the community and economic development programs.	1,542,290
	These funds are restricted within public safety programs.	381,703
	These funds are restricted within human services programs.	839
	These funds are restricted within culture and recreation programs.	401,721
	These funds are restricted with public works programs.	1,893,805
	These funds are restricted for conservation and economic development programs.	1,970,664
Debt Service	Restricted Funds:	
	These amounts are restricted for debt service.	1,512,368

COUNTY OF GREENE, PENNSYLVANIA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2019

NOTE 15: SUBSEQUENT EVENTS

Subsequent to year end, a global pandemic due to the spread of the COVID-19 coronavirus caused the United States government to declare a national emergency. The pandemic has led to widespread voluntary and government-mandated closings of local stores and businesses, which has resulted in significant job losses. These job losses have the potential to have a significant impact on all aspects of the County's operations. In addition, due to the temporary closure of all businesses that are not deemed life sustaining, State and Federal tax revenues are also significantly decreased. This decrease could result in less grant money that is relied upon by local governments to fund specific projects. In addition, the County's own source revenue or derived revenues could be affected negatively. Overall, decreased funding could result in the County having to curtail or eliminate some services.

In addition, the negative events in the financial markets and worldwide due to the COVID-19 pandemic have caused a significant decrease in investment values either directly invested or tied to the equity markets. These declines, at present, are expected to be temporary and not permanent; however, equity market recovery, if it occurs, may take some time. The major resulting impact of the equity market's decline on the County will be in the form of a decrease in Pension plan assets. As a result of the current market conditions, investments and their ratings may fluctuate in the near future.

## **REQUIRED SUPPLEMENTARY INFORMATION**

COUNTY OF GREENE, PENNSYLVANIA  
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS  
YEARS ENDED DECEMBER 31  
LAST TEN YEARS\*

	2014	2015	2016	2017	2018	2019
<b>Total Pension Liability:</b>						
Service cost	\$ 1,148,481	\$ 1,214,584	\$ 1,286,496	\$ 1,449,454	\$ 1,340,640	\$ 1,406,243
Interest	1,397,336	1,527,102	1,688,060	1,873,415	2,053,996	2,194,480
Changes of benefit terms	-	-	-	203,237	-	-
Differences between expected and actual experience	86,973	(13,065)	435,273	440,622	(401,155)	27,757
Benefit payments, including refunds of member contributions	(604,441)	(1,099,066)	(1,055,203)	(1,019,758)	(1,159,825)	(2,086,680)
Net Changes in Total Pension Liability	2,028,349	1,629,555	2,354,626	2,946,970	1,833,656	1,541,800
Total Pension Liability - Beginning	18,057,058	20,085,407	21,714,962	24,069,588	27,016,558	28,850,214
Total Pension Liability - Ending (a)	<u>\$ 20,085,407</u>	<u>\$ 21,714,962</u>	<u>\$ 24,069,588</u>	<u>\$ 27,016,558</u>	<u>\$ 28,850,214</u>	<u>\$ 30,392,014</u>
<b>Plan Fiduciary Net Position:</b>						
Contributions - employer	\$ 550,000	\$ 329,082	\$ 385,000	\$ 627,838	\$ 739,715	\$ 869,557
Contributions - member	716,276	758,236	840,823	910,192	971,833	1,036,991
Other income	-	-	2,698	-	-	-
Net investment income	1,473,162	(173,374)	1,497,491	2,843,413	(1,502,026)	5,010,573
Benefit payments, including refunds of member contributions	(604,441)	(1,099,066)	(1,055,203)	(1,019,758)	(1,159,825)	(2,086,680)
Administrative expense	(172,137)	(171,005)	(170,793)	(201,278)	(210,098)	(196,784)
Net Change in Plan Fiduciary Net Position	1,962,860	(356,127)	1,500,016	3,160,407	(1,160,401)	4,633,657
Plan Fiduciary Net Position - Beginning	20,810,205	22,773,065	22,416,938	23,916,954	27,077,361	25,916,960
Plan Fiduciary Net Position - Ending (b)	<u>\$ 22,773,065</u>	<u>\$ 22,416,938</u>	<u>\$ 23,916,954</u>	<u>\$ 27,077,361</u>	<u>\$ 25,916,960</u>	<u>\$ 30,550,617</u>
Net Pension Liability (Asset) - Ending (a-b)	<u>\$ (2,687,658)</u>	<u>\$ (701,976)</u>	<u>\$ 152,634</u>	<u>\$ (60,803)</u>	<u>\$ 2,933,254</u>	<u>\$ (158,603)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	113.38%	103.23%	99.37%	100.23%	89.83%	100.52%
Covered Employee Payroll	\$ 9,905,909	\$ 10,525,102	\$ 11,079,081	\$ 11,735,781	\$ 12,798,065	\$ 13,209,045
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	-27.13%	-6.67%	1.38%	-0.52%	22.92%	-1.20%

\*Until a full 10-year trend is compiled, the required information for the plan is presented for as many years as are available.



COUNTY OF GREENE, PENNSYLVANIA  
 SCHEDULE OF PLAN CONTRIBUTIONS AND INVESTMENT RETURNS  
 YEARS ENDED DECEMBER 31  
 LAST TEN YEARS\*

	2014	2015	2016	2017	2018	2019
<u>Schedule of Contributions</u>						
Actuarially determined contribution	\$ 299,640	\$ 329,082	\$ 460,892	\$ 627,838	\$ 739,715	\$ 869,557
Contributions in relation to the actuarially determined contribution	<u>550,000</u>	<u>329,082</u>	<u>385,000</u>	<u>627,838</u>	<u>739,715</u>	<u>869,557</u>
Contribution deficiency (excess)	<u>\$ (250,360)</u>	<u>\$ -</u>	<u>\$ 75,892</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$9,905,909	\$10,525,102	\$11,079,081	\$11,735,781	\$12,798,065	\$13,209,045
Contributions as a percentage of covered employee payroll	5.55%	3.13%	3.48%	5.35%	5.78%	6.58%
<u>Investment Returns</u>						
Annual money-weighted rate of return, net of investment expense	6.45%	-1.79%	6.69%	11.80%	-5.17%	18.97%

\*Until a full 10-year trend is compiled, the required information for the plan is presented for as many years as are available.

COUNTY OF GREENE, PENNSYLVANIA  
NOTES TO SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED DECEMBER 31, 2019

Actuarial Methods and Assumptions Used in Determining the Actuarially Determined Contribution

Actuarial valuation date	1/1/2019
Actuarial cost method	Entry age
Amortization method	Level dollar
Remaining amortization period	14 years
Asset valuation method	Market value adjusted by unrecognized gains and losses from prior years
Inflation	3.0%
Salary increases	4.5% average, including inflation
Investment rate of return	7.5%, net of pension plan investment expense, including inflation
Retirement age	Age 60 or 55 with 20 years' service
Mortality	2013 RP Annuitant and Non-Annuity Mortality Table for males and females with no projected improvement

Benefit Changes

There have been no changes in the Plan benefits since the date of the last report.

Change in Actuarial Assumptions

There have been no changes in the actuarial assumptions since the date of the last report.

## **OTHER SUPPLEMENTARY INFORMATION**

COUNTY OF GREENE, PENNSYLVANIA  
 COMBINING BALANCE SHEET  
 OTHER GOVERNMENTAL FUNDS  
 DECEMBER 31, 2019

	Special Revenue Funds				
	Redevelopment Authority	Affordable Housing Trust	Probation Supervision	Probation DUI	Community Service
<u>Assets</u>					
Cash and cash equivalents	\$ 873,951	\$ 251,142	\$ 14,648	\$ 32,275	\$ 23,442
Investments	-	-	-	-	-
Due from other funds	900,000	1,960	6,172	-	988
Due from other governments	-	-	-	-	-
Taxes receivable	-	-	-	-	-
Accounts receivable	1,434	-	-	-	-
Other assets	-	-	-	-	-
Total Assets	<u>\$ 1,775,385</u>	<u>\$ 253,102</u>	<u>\$ 20,820</u>	<u>\$ 32,275</u>	<u>\$ 24,430</u>
<u>Liabilities and Fund Balance</u>					
Liabilities:					
Accounts payable	\$ 139,240	\$ -	\$ -	\$ -	\$ -
Accrued liabilities and withholdings	-	-	-	-	-
Due to other funds	5,713	-	-	3,143	4,241
Unearned revenue	525,000	-	-	-	-
Total Liabilities	<u>669,953</u>	<u>-</u>	<u>-</u>	<u>3,143</u>	<u>4,241</u>
Fund Balance:					
Restricted	1,105,432	253,102	20,820	29,132	20,189
Unassigned	-	-	-	-	-
Total Fund Balance	<u>1,105,432</u>	<u>253,102</u>	<u>20,820</u>	<u>29,132</u>	<u>20,189</u>
Total Liabilities and Fund Balance	<u>\$ 1,775,385</u>	<u>\$ 253,102</u>	<u>\$ 20,820</u>	<u>\$ 32,275</u>	<u>\$ 24,430</u>

COUNTY OF GREENE, PENNSYLVANIA  
 COMBINING BALANCE SHEET (CONTINUED)  
 OTHER GOVERNMENTAL FUNDS  
 DECEMBER 31, 2019

	Special Revenue Funds				
	Clerk of Courts Automation	Prothonotary Automation	Adoption Counseling	RI Fund County	RI Fund R&R
<u>Assets</u>					
Cash and cash equivalents	\$ 24,885	\$ 11,716	\$ 839	\$95,723	\$105,228
Investments	-	-	-	-	-
Due from other funds	255	-	-	1,144	-
Due from other governments	-	-	-	-	-
Taxes receivable	-	-	-	-	-
Accounts receivable	-	-	-	-	-
Other assets	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 25,140</u>	<u>\$ 11,716</u>	<u>\$ 839</u>	<u>\$96,867</u>	<u>\$105,228</u>
<u>Liabilities and Fund Balance</u>					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities and withholdings	-	-	-	-	-
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance:					
Restricted	25,140	11,716	839	96,867	105,228
Unassigned	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balance	<u>25,140</u>	<u>11,716</u>	<u>839</u>	<u>96,867</u>	<u>105,228</u>
Total Liabilities and Fund Balance	<u>\$ 25,140</u>	<u>\$ 11,716</u>	<u>\$ 839</u>	<u>\$96,867</u>	<u>\$105,228</u>

COUNTY OF GREENE, PENNSYLVANIA  
 COMBINING BALANCE SHEET (CONTINUED)  
 OTHER GOVERNMENTAL FUNDS  
 DECEMBER 31, 2019

	Special Revenue Funds				
	Coroner	Community Development	Child Support Enforcement	911 and Hazmat	Liquid Fuels
<u>Assets</u>					
Cash and cash equivalents	\$41,395	\$ 4,230	\$ 349,745	\$1,008,448	\$2,181,725
Investments	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governments	-	126,722	115,123	-	-
Taxes receivable	-	-	-	-	-
Accounts receivable	-	-	-	10,200	32,671
Other assets	-	-	-	4,625	40
Total Assets	<u>\$41,395</u>	<u>\$ 130,952</u>	<u>\$ 464,868</u>	<u>\$1,023,273</u>	<u>\$2,214,436</u>
<u>Liabilities and Fund Balance</u>					
Liabilities:					
Accounts payable	\$ -	\$ 126,722	\$ -	\$ -	\$ 27,315
Accrued liabilities and withholdings	-	-	-	-	-
Due to other funds	-	-	259,507	234,915	293,316
Unearned revenue	20,000	4,230	-	427,475	-
Total Liabilities	<u>20,000</u>	<u>130,952</u>	<u>259,507</u>	<u>662,390</u>	<u>320,631</u>
Fund Balance:					
Restricted	21,395	-	205,361	360,883	1,893,805
Unassigned	-	-	-	-	-
Total Fund Balance	<u>21,395</u>	<u>-</u>	<u>205,361</u>	<u>360,883</u>	<u>1,893,805</u>
Total Liabilities and Fund Balance	<u>\$41,395</u>	<u>\$ 130,952</u>	<u>\$ 464,868</u>	<u>\$1,023,273</u>	<u>\$2,214,436</u>

COUNTY OF GREENE, PENNSYLVANIA  
 COMBINING BALANCE SHEET (CONTINUED)  
 OTHER GOVERNMENTAL FUNDS  
 DECEMBER 31, 2019

	Special Revenue Funds				
	Conservation District	Tourism	Library System	Human Services Transportation	Fair Board
<u>Assets</u>					
Cash and cash equivalents	\$ 1,535,490	\$ 196,878	\$ 37,128	\$ 378,487	\$ 314,204
Investments	419,039	-	4,998	-	-
Due from other funds	-	-	-	81,497	-
Due from other governments	291,872	-	-	-	38,524
Taxes receivable	-	11,441	2,352	-	-
Accounts receivable	915	-	-	202,349	-
Other assets	-	-	3,780	-	1,184
Total Assets	<u>\$ 2,247,316</u>	<u>\$ 208,319</u>	<u>\$ 48,258</u>	<u>\$ 662,333</u>	<u>\$ 353,912</u>
<u>Liabilities and Fund Balance</u>					
Liabilities:					
Accounts payable	\$ 213,790	\$ 8,078	\$ 169	\$ 3,429	\$ -
Accrued liabilities and withholdings	-	-	30	-	-
Due to other funds	62,862	16,485	-	432,925	-
Unearned revenue	-	-	-	225,979	250
Total Liabilities	<u>276,652</u>	<u>24,563</u>	<u>199</u>	<u>662,333</u>	<u>250</u>
Fund Balance:					
Restricted	1,970,664	183,756	48,059	-	353,662
Unassigned	-	-	-	-	-
Total Fund Balance	<u>1,970,664</u>	<u>183,756</u>	<u>48,059</u>	<u>-</u>	<u>353,662</u>
Total Liabilities and Fund Balance	<u>\$ 2,247,316</u>	<u>\$ 208,319</u>	<u>\$ 48,258</u>	<u>\$ 662,333</u>	<u>\$ 353,912</u>

COUNTY OF GREENE, PENNSYLVANIA  
 COMBINING BALANCE SHEET (CONTINUED)  
 OTHER GOVERNMENTAL FUNDS  
 DECEMBER 31, 2019

	<u>Special Revenue Funds</u>				Total Other Governmental Funds
	BHS D&A	Human Services	Capital Projects	Debt Service	
<u>Assets</u>					
Cash and cash equivalents	\$396,855	\$620,418	\$ 593,540	\$1,506,468	\$10,598,860
Investments	-	-	-	-	424,037
Due from other funds	111,793	161,205	80,111	-	1,345,125
Due from other governments	362,429	139,273	62,011	-	1,135,954
Taxes receivable	-	-	-	-	13,793
Accounts receivable	-	7,697	-	5,900	261,166
Other assets	-	-	-	-	9,629
Total Assets	<u>\$871,077</u>	<u>\$928,593</u>	<u>\$ 735,662</u>	<u>\$1,512,368</u>	<u>\$13,788,564</u>
<u>Liabilities and Fund Balance</u>					
Liabilities:					
Accounts payable	\$ 38,906	\$ 59,564	\$ -	\$ -	\$ 617,213
Accrued liabilities and withholdings	-	-	-	-	30
Due to other funds	419,492	565,949	2,122,335	-	4,420,883
Unearned revenue	412,679	303,080	-	-	1,918,693
Total Liabilities	<u>871,077</u>	<u>928,593</u>	<u>2,122,335</u>	<u>-</u>	<u>6,956,819</u>
Fund Balance:					
Restricted	-	-	-	1,512,368	8,218,418
Unassigned	-	-	(1,386,673)	-	(1,386,673)
Total Fund Balance	<u>-</u>	<u>-</u>	<u>(1,386,673)</u>	<u>1,512,368</u>	<u>6,831,745</u>
Total Liabilities and Fund Balance	<u>\$871,077</u>	<u>\$928,593</u>	<u>\$ 735,662</u>	<u>\$1,512,368</u>	<u>\$13,788,564</u>



COUNTY OF GREENE, PENNSYLVANIA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 OTHER GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Special Revenue Funds				
	Redevelopment Authority	Affordable Housing Trust	Probation Supervision	Probation DUI	Community Service
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	90,000	-	-	-	-
Charges for service	1,147	23,990	101,561	18,231	15,319
Interest	25,056	717	48	475	55
Rental income	24,139	-	-	-	-
Donations	-	-	-	-	-
Total revenues	<u>140,342</u>	<u>24,707</u>	<u>101,609</u>	<u>18,706</u>	<u>15,374</u>
Expenditures:					
General government - administration	-	-	-	-	-
General government - judicial	-	-	10,700	9,648	10,437
Public safety:					
EMA/911	-	-	-	-	-
Police	-	-	-	-	-
Public works:					
Highways and bridges	-	-	-	-	-
Airport	-	-	-	-	-
Human Services:					
Drug and alcohol	-	-	-	-	-
Other human services	-	-	-	-	-
Transportation	-	-	-	-	-
Culture and recreation:					
Parks and recreation	-	-	-	-	-
Libraries	-	-	-	-	-
Conservation and economic development:					
Conservation/development	-	-	-	-	-
Housing/community development	313,424	-	-	-	-
Tourist promotion	-	-	-	-	-
Debt service:					
Debt interest	-	-	-	-	-
Debt principal	-	-	-	-	-
Total expenditures	<u>313,424</u>	<u>-</u>	<u>10,700</u>	<u>9,648</u>	<u>10,437</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(173,082)</u>	<u>24,707</u>	<u>90,909</u>	<u>9,058</u>	<u>4,937</u>
Other Financing Sources (Uses):					
Transfers in	900,000	-	-	-	-
Other sources from sale of assets/ prior period reimbursement	142,155	-	-	-	-
Transfers out	-	-	(185,329)	-	-
Total other financing sources (uses)	<u>1,042,155</u>	<u>-</u>	<u>(185,329)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	869,073	24,707	(94,420)	9,058	4,937
Fund Balance:					
Beginning of year	236,359	228,395	115,240	20,074	15,252
End of year	<u>\$ 1,105,432</u>	<u>\$ 253,102</u>	<u>\$ 20,820</u>	<u>\$ 29,132</u>	<u>\$ 20,189</u>

COUNTY OF GREENE, PENNSYLVANIA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 OTHER GOVERNMENTAL FUNDS (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Special Revenue Funds				
	Clerk of Courts Automation	Prothonotary Automation	Adoption Counseling	RI Fund County	RI Fund R&R
<b>Revenues:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Charges for service	4,513	4,831	-	17,116	23,958
Interest	24	10	2	88	88
Rental income	-	-	-	-	-
Donations	-	-	-	-	-
Total revenues	<u>4,537</u>	<u>4,841</u>	<u>2</u>	<u>17,204</u>	<u>24,046</u>
<b>Expenditures:</b>					
General government - administration	-	-	-	1,197	577
General government - judicial	2,145	2,819	-	-	-
Public safety:					
EMA/911	-	-	-	-	-
Police	-	-	-	-	-
Public works:					
Highways and bridges	-	-	-	-	-
Airport	-	-	-	-	-
Human Services:					
Drug and alcohol	-	-	-	-	-
Other human services	-	-	-	-	-
Transportation	-	-	-	-	-
Culture and recreation:					
Parks and recreation	-	-	-	-	-
Libraries	-	-	-	-	-
Conservation and economic development:					
Conservation/development	-	-	-	-	-
Housing/community development	-	-	-	-	-
Tourist promotion	-	-	-	-	-
Debt service:					
Debt interest	-	-	-	-	-
Debt principal	-	-	-	-	-
Total expenditures	<u>2,145</u>	<u>2,819</u>	<u>-</u>	<u>1,197</u>	<u>577</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,392</u>	<u>2,022</u>	<u>2</u>	<u>16,007</u>	<u>23,469</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in	-	-	-	-	-
Other sources from sale of assets/ prior period reimbursement	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	2,392	2,022	2	16,007	23,469
<b>Fund Balance:</b>					
Beginning of year	22,748	9,694	837	80,860	81,759
End of year	<u>\$ 25,140</u>	<u>\$ 11,716</u>	<u>\$ 839</u>	<u>\$96,867</u>	<u>\$105,228</u>

COUNTY OF GREENE, PENNSYLVANIA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 OTHER GOVERNMENTAL FUNDS (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Special Revenue Funds				
	Coroner	Community Development	Child Support Enforcement	911 and Hazmat	Liquid Fuels
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	1,058,417	496,200	646,351	1,711,735
Charges for service	2,805	-	1,718	26,825.00	81,145
Interest	98	-	304	6,715	66,800
Rental income	-	-	-	-	-
Donations	-	-	-	-	2,925
Total revenues	<u>2,903</u>	<u>1,058,417</u>	<u>498,222</u>	<u>679,891</u>	<u>1,862,605</u>
Expenditures:					
General government - administration	-	-	-	-	-
General government - judicial	-	-	643,144	-	-
Public safety:					
EMA/911	-	-	-	970,789	-
Police	-	-	-	-	-
Public works:					
Highways and bridges	-	-	-	-	1,085,535
Airport	-	-	-	-	-
Human Services:					
Drug and alcohol	-	-	-	-	-
Other human services	-	-	-	-	-
Transportation	-	-	-	-	-
Culture and recreation:					
Parks and recreation	-	-	-	-	-
Libraries	-	-	-	-	-
Conservation and economic development:					
Conservation/development	-	-	-	-	-
Housing/community development	-	1,013,477	-	-	-
Tourist promotion	-	-	-	-	-
Debt service:					
Debt interest	-	-	-	-	-
Debt principal	-	-	-	-	-
Total expenditures	<u>-</u>	<u>1,013,477</u>	<u>643,144</u>	<u>970,789</u>	<u>1,085,535</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,903</u>	<u>44,940</u>	<u>(144,922)</u>	<u>(290,898)</u>	<u>777,070</u>
Other Financing Sources (Uses):					
Transfers in	-	-	239,177	-	-
Other sources from sale of assets/ prior period reimbursement	-	-	-	-	-
Transfers out	-	(44,940)	(47,785)	-	(11,301)
Total other financing sources (uses)	<u>-</u>	<u>(44,940)</u>	<u>191,392</u>	<u>-</u>	<u>(11,301)</u>
Net Change in Fund Balance	2,903	-	46,470	(290,898)	765,769
Fund Balance:					
Beginning of year	18,492	-	158,891	651,781	1,128,036
End of year	<u>\$21,395</u>	<u>\$ -</u>	<u>\$ 205,361</u>	<u>\$ 360,883</u>	<u>\$ 1,893,805</u>

COUNTY OF GREENE, PENNSYLVANIA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 OTHER GOVERNMENTAL FUNDS (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Special Revenue Funds				
	Conservation District	Tourism	Library System	Human Services Transportation	Fair Board
Revenues:					
Taxes	\$ -	\$ 129,680	\$ 104,835	\$ -	\$ -
Intergovernmental	846,272	-	161,320	1,203,622	151,524
Charges for service	185,328	50,205	-	75,136	215,577
Interest	38,144	1,021	749	3,114	1,318
Rental income	-	-	-	-	17,775.00
Donations	-	-	-	-	3,292
Total revenues	<u>1,069,744</u>	<u>180,906</u>	<u>266,904</u>	<u>1,281,872</u>	<u>389,486</u>
Expenditures:					
General government - administration	-	-	-	-	-
General government - judicial	-	-	-	-	-
Public safety:					
EMA/911	-	-	-	-	-
Police	-	-	-	-	-
Public works:					
Highways and bridges	-	-	-	-	-
Airport	-	-	-	-	-
Human Services:					
Drug and alcohol	-	-	-	-	-
Other human services	-	-	-	-	-
Transportation	-	-	-	1,272,126	-
Culture and recreation:					
Parks and recreation	-	-	-	-	387,416
Libraries	-	-	286,722	-	-
Conservation and economic development:					
Conservation/development	1,813,518	-	-	-	-
Housing/community development	-	-	-	-	-
Tourist promotion	-	197,828	-	-	-
Debt service:					
Debt interest	-	-	-	-	-
Debt principal	-	-	-	-	-
Total expenditures	<u>1,813,518</u>	<u>197,828</u>	<u>286,722</u>	<u>1,272,126</u>	<u>387,416</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(743,774)</u>	<u>(16,922)</u>	<u>(19,818)</u>	<u>9,746</u>	<u>2,070</u>
Other Financing Sources (Uses):					
Transfers in	-	-	-	34,951	-
Other sources from sale of assets/ prior period reimbursement	-	-	-	-	2,901
Transfers out	-	(2,425)	-	(44,697)	-
Total other financing sources (uses)	<u>-</u>	<u>(2,425)</u>	<u>-</u>	<u>(9,746)</u>	<u>2,901</u>
Net Change in Fund Balance	(743,774)	(19,347)	(19,818)	-	4,971
Fund Balance:					
Beginning of year	2,714,438	203,103	67,877	-	348,691
End of year	<u>\$ 1,970,664</u>	<u>\$ 183,756</u>	<u>\$ 48,059</u>	<u>\$ -</u>	<u>\$ 353,662</u>

COUNTY OF GREENE, PENNSYLVANIA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 OTHER GOVERNMENTAL FUNDS (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Special Revenue Funds</u>				Total Other Governmental Funds
	BHS D&A	Human Services	Capital Projects	Debt Service	
<u>Revenues:</u>					
Taxes	\$ -	\$ -	\$ -	\$ 1,031,630	\$ 1,266,145
Intergovernmental	646,731	1,325,186	412,094	-	8,749,452
Charges for service	139,668	-	-	-	989,073
Interest	2,356	4,129	13,996	11,425	176,732
Rental income	-	-	-	-	41,914
Donations	-	10,117	-	-	16,334
Total revenues	<u>788,755</u>	<u>1,339,432</u>	<u>426,090</u>	<u>1,043,055</u>	<u>11,239,650</u>
<u>Expenditures:</u>					
General government - administration	-	-	2,008,854	148	2,010,776
General government - judicial	-	-	226,257	-	905,150
Public safety:					
EMA/911	-	-	-	-	970,789
Police	-	-	37,084	-	37,084
Public works:					
Highways and bridges	-	-	15,552	-	1,101,087
Airport	-	-	27,538	-	27,538
Human Services:					
Drug and alcohol	792,423	-	-	-	792,423
Other human services	-	1,339,432	-	-	1,339,432
Transportation	-	-	-	-	1,272,126
Culture and recreation:					
Parks and recreation	-	-	1,079,964	-	1,467,380
Libraries	-	-	-	-	286,722
Conservation and economic development:					
Conservation/development	-	-	-	-	1,813,518
Housing/community development	-	-	95,000	-	1,421,901
Tourist promotion	-	-	-	-	197,828
Debt service:					
Debt interest	-	-	-	156,951	156,951
Debt principal	-	-	-	840,000	840,000
Total expenditures	<u>792,423</u>	<u>1,339,432</u>	<u>3,490,249</u>	<u>997,099</u>	<u>14,640,705</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(3,668)</u>	<u>-</u>	<u>(3,064,159)</u>	<u>45,956</u>	<u>(3,401,055)</u>
<u>Other Financing Sources (Uses):</u>					
Transfers in	8,168	-	603,061	-	1,785,357
Other sources from sale of assets/ prior period reimbursement	-	-	-	-	145,056
Transfers out	(4,500)	-	-	-	(340,977)
Total other financing sources (uses)	<u>3,668</u>	<u>-</u>	<u>603,061</u>	<u>-</u>	<u>1,589,436</u>
Net Change in Fund Balance	-	-	(2,461,098)	45,956	(1,811,619)
<u>Fund Balance:</u>					
Beginning of year	-	-	1,074,425	1,466,412	8,643,364
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,386,673)</u>	<u>\$ 1,512,368</u>	<u>\$ 6,831,745</u>

COUNTY OF GREENE, PENNSYLVANIA  
COMBINING BALANCE SHEET  
AGENCY FUNDS  
DECEMBER 31, 2019

	Tax Claim	Clerk of Courts - Criminal	Orphan's Court	Register and Recorder	Recorder - Local Realty Transfer	Magistrate 13-03-01	Magistrate 13-03-02	Magistrate 13-03-03	Sheriff
<b>Assets</b>									
Cash and cash equivalents	\$ 427,254	\$ 63,607	\$ 1	\$ 44,311	\$ 162,318	\$ 16,613	\$ 10,143	\$ 18,246	\$ 11,270
Due from other funds	-	29,850	-	100	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 427,254</b>	<b>\$ 93,457</b>	<b>\$ 1</b>	<b>\$ 44,411</b>	<b>\$ 162,318</b>	<b>\$ 16,613</b>	<b>\$ 10,143</b>	<b>\$ 18,246</b>	<b>\$ 11,270</b>
<b>Liabilities</b>									
Liabilities:									
Due to other governments	\$ 427,254	\$ 61,367	\$ (26,856)	\$ 41,307	\$ 162,318	\$ 11,476	\$ 5,287	\$ 13,953	\$ 11,270
Due to other funds	-	32,090	26,857	3,104	-	5,137	4,856	4,293	-
<b>Total Liabilities</b>	<b>\$ 427,254</b>	<b>\$ 93,457</b>	<b>\$ 1</b>	<b>\$ 44,411</b>	<b>\$ 162,318</b>	<b>\$ 16,613</b>	<b>\$ 10,143</b>	<b>\$ 18,246</b>	<b>\$ 11,270</b>
	Sheriff-Validation Systems	Prothonotary	Prothonotary - Escrow Accts	Jail	Airport Security	Domestic Relations	Fire Damage Escrow	Children and Youth	Commonwealth Treasurer
<b>Assets</b>									
Cash and cash equivalents	\$ 689	\$ 27,774	\$ 50,346	\$ 71,791	\$ 6,008	\$ 565	\$ 67	\$ 22,537	\$ 22,159
Due from other funds	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 689</b>	<b>\$ 27,774</b>	<b>\$ 50,346</b>	<b>\$ 71,791</b>	<b>\$ 6,008</b>	<b>\$ 565</b>	<b>\$ 67</b>	<b>\$ 22,537</b>	<b>\$ 22,159</b>
<b>Liabilities</b>									
Liabilities:									
Due to other governments	\$ 689	\$ 23,742	\$ 50,346	\$ 67,934	\$ 6,008	\$ 565	\$ 67	\$ 22,537	\$ 22,159
Due to other funds	-	4,032	-	3,857	-	-	-	-	-
<b>Total Liabilities</b>	<b>\$ 689</b>	<b>\$ 27,774</b>	<b>\$ 50,346</b>	<b>\$ 71,791</b>	<b>\$ 6,008</b>	<b>\$ 565</b>	<b>\$ 67</b>	<b>\$ 22,537</b>	<b>\$ 22,159</b>
	District Attorney	Farmland Preservation	Human Services - M. Howard	Wire Transfer Account	Total				
<b>Assets</b>									
Cash and cash equivalents	\$ 39,785	\$ 61,752	\$ 33	\$ 20	\$ 1,057,289				
Due from other funds	-	-	-	-	29,950				
<b>Total Assets</b>	<b>\$ 39,785</b>	<b>\$ 61,752</b>	<b>\$ 33</b>	<b>\$ 20</b>	<b>\$ 1,087,239</b>				
<b>Liabilities</b>									
Liabilities:									
Due to other governments	\$ 39,785	\$ 61,752	\$ 33	\$ 20	\$ 1,003,013				
Due to other funds	-	-	-	-	84,226				
<b>Total Liabilities</b>	<b>\$ 39,785</b>	<b>\$ 61,752</b>	<b>\$ 33</b>	<b>\$ 20</b>	<b>\$ 1,087,239</b>				

COUNTY OF GREENE, PENNSYLVANIA  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
DECEMBER 31, 2019

	Balance January 1, 2019	Additions	Deductions	Balance December 31, 2019
<b>Tax Claim</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 547,267	\$ 4,836,612	\$ (4,956,625)	\$ 427,254
<b>Liabilities</b>				
Due to other governments	\$ 523,829	\$ 4,836,612	\$ (4,933,187)	\$ 427,254
Due to other funds	23,438	-	(23,438)	-
	<u>\$ 547,267</u>	<u>\$ 4,836,612</u>	<u>\$ (4,956,625)</u>	<u>\$ 427,254</u>
<b>Clerk of Courts - Criminal</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 77,462	\$ 834,038	\$ (847,893)	\$ 63,607
Due from other funds	11,032	29,850	(11,032)	29,850
	<u>\$ 88,494</u>	<u>\$ 863,888</u>	<u>\$ (858,925)</u>	<u>\$ 93,457</u>
<b>Liabilities</b>				
Due to other governments	\$ 81,624	\$ 831,798	\$ (852,055)	\$ 61,367
Due to other funds	6,870	32,090	(6,870)	32,090
	<u>\$ 88,494</u>	<u>\$ 863,888</u>	<u>\$ (858,925)</u>	<u>\$ 93,457</u>
<b>Orphan's Court</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 1	\$ 49,400	\$ (49,400)	\$ 1
<b>Liabilities</b>				
Due to other governments	\$ 1	\$ 22,543	\$ (49,400)	\$ (26,856)
Due to other funds	-	26,857	-	26,857
	<u>\$ 1</u>	<u>\$ 49,400</u>	<u>\$ (49,400)</u>	<u>\$ 1</u>
<b>Register and Recorder</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 60,174	\$ 695,100	\$ (710,963)	\$ 44,311
Due from other funds	-	100	-	100
	<u>\$ 60,174</u>	<u>\$ 695,200</u>	<u>\$ (710,963)</u>	<u>\$ 44,411</u>
<b>Liabilities</b>				
Due to other governments	\$ 60,174	\$ 692,096	\$ (710,963)	\$ 41,307
Due to other funds	-	3,104	-	3,104
	<u>\$ 60,174</u>	<u>\$ 695,200</u>	<u>\$ (710,963)</u>	<u>\$ 44,411</u>
<b>Register and Recorder (Local Realty Transfer)</b>				
<b>Assets</b>				
Cash and Cash Equivalents	\$ 133,828	\$ 1,485,455	\$ (1,456,965)	\$ 162,318
<b>Liabilities</b>				
Due to other governments	\$ 88,654	\$ 1,485,455	\$ (1,411,791)	\$ 162,318
Due to other funds	45,174	-	(45,174)	-
	<u>\$ 133,828</u>	<u>\$ 1,485,455</u>	<u>\$ (1,456,965)</u>	<u>\$ 162,318</u>
<b>Magistrate 13-03-01</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 13,384	\$ 462,178	\$ (458,949)	\$ 16,613
<b>Liabilities</b>				
Due to other governments	\$ 9,012	\$ 457,041	\$ (454,577)	\$ 11,476
Due to other funds	4,372	5,137	(4,372)	5,137
	<u>\$ 13,384</u>	<u>\$ 462,178</u>	<u>\$ (458,949)</u>	<u>\$ 16,613</u>
<b>Magistrate 13-03-2</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 10,734	\$ 375,348	\$ (375,939)	\$ 10,143
<b>Liabilities</b>				
Due to other governments	\$ 7,355	\$ 370,492	\$ (372,560)	\$ 5,287
Due to other funds	3,379	4,856	(3,379)	4,856
	<u>\$ 10,734</u>	<u>\$ 375,348</u>	<u>\$ (375,939)</u>	<u>\$ 10,143</u>

COUNTY OF GREENE, PENNSYLVANIA  
ALL AGENCY FUNDS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (CONTINUED)  
DECEMBER 31, 2019

**Magistrate 13-03-3**

<b>Assets</b>				
Cash and cash equivalents	\$ 12,032	\$ 346,131	\$ (339,917)	\$ 18,246
<b>Liabilities</b>				
Due to other governments	\$ 12,032	\$ 341,838	\$ (339,917)	\$ 13,953
Due to other funds	-	4,293	-	4,293
	<u>\$ 12,032</u>	<u>\$ 346,131</u>	<u>\$ (339,917)</u>	<u>\$ 18,246</u>

**Sheriff**

<b>Assets</b>				
Cash and cash equivalents	\$ 24,026	\$ 340,884	\$ (353,640)	\$ 11,270
Due from other funds	104	-	(104)	-
	<u>\$ 24,130</u>	<u>\$ 340,884</u>	<u>\$ (353,744)</u>	<u>\$ 11,270</u>
<b>Liabilities</b>				
Due to other governments	\$ 19,459	\$ 340,884	\$ (349,073)	\$ 11,270
Due to other funds	4,671	-	(4,671)	-
	<u>\$ 24,130</u>	<u>\$ 340,884</u>	<u>\$ (353,744)</u>	<u>\$ 11,270</u>

**Sheriff - Validation System**

<b>Assets</b>				
Cash and cash equivalents	\$ 511	\$ 1,448	\$ (1,270)	\$ 689
<b>Liabilities</b>				
Due to other governments	\$ 511	\$ 1,448	\$ (1,270)	\$ 689

**Prothonotary**

<b>Assets</b>				
Cash and cash equivalents	\$ 38,362	\$ 176,351	\$ (186,939)	\$ 27,774
<b>Liabilities</b>				
Due to other governments	\$ 32,152	\$ 172,319	\$ (180,729)	\$ 23,742
Due to other funds	6,210	4,032	(6,210)	4,032
	<u>\$ 38,362</u>	<u>\$ 176,351</u>	<u>\$ (186,939)</u>	<u>\$ 27,774</u>

**Prothonotary - Escrow Accts**

<b>Assets</b>				
Cash and cash equivalents	\$ 286,907	\$ 70,192	\$ (306,753)	\$ 50,346
<b>Liabilities</b>				
Due to other governments	\$ 286,907	\$ 70,192	\$ (306,753)	\$ 50,346

**Jail**

<b>Assets</b>				
Cash and cash equivalents	\$ 95,878	\$ 316,191	\$ (340,278)	\$ 71,791
<b>Liabilities</b>				
Due to other governments	\$ 95,238	\$ 312,334	\$ (339,638)	\$ 67,934
Due to other funds	640	3,857	(640)	3,857
	<u>\$ 95,878</u>	<u>\$ 316,191</u>	<u>\$ (340,278)</u>	<u>\$ 71,791</u>

**Airport Security**

<b>Assets</b>				
Cash and cash equivalents	\$ 5,990	\$ 18	\$ -	\$ 6,008
<b>Liabilities</b>				
Due to other governments	\$ 5,990	\$ 18	\$ -	\$ 6,008

**Domestic Relations**

<b>Assets</b>				
Cash and cash equivalents	\$ 1,665	\$ 57,209	\$ (58,309)	\$ 565
<b>Liabilities</b>				
Due to other governments	\$ 1,665	\$ 57,209	\$ (58,309)	\$ 565



COUNTY OF GREENE, PENNSYLVANIA  
ALL AGENCY FUNDS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (CONTINUED)  
DECEMBER 31, 2019

**Fire Damage Escrow**

<b>Assets</b>				
Cash and cash equivalents	\$ 67	\$ -	\$ -	\$ 67
<b>Liabilities</b>				
Due to other governments	\$ 67	\$ -	\$ -	\$ 67

**Children and Youth**

<b>Assets</b>				
Cash and cash equivalents	\$ 23,172	\$ 1,247	\$ (1,882)	\$ 22,537
<b>Liabilities</b>				
Due to other governments	\$ 23,172	\$ 1,247	\$ (1,882)	\$ 22,537

**Commonwealth Treasurer**

<b>Assets</b>				
Cash and cash equivalents	\$ 20,110	\$ 137,720	\$ (135,671)	\$ 22,159
<b>Liabilities</b>				
Due to other governments	\$ (22,066)	\$ 137,720	\$ (93,495)	22,159
Due to other funds	42,176	-	(42,176)	-
	\$ 20,110	\$ 137,720	\$ (135,671)	\$ 22,159

**District Attorney**

<b>Assets</b>				
Cash and cash equivalents	\$ 38,689	\$ 1,447	\$ (351)	\$ 39,785
<b>Liabilities</b>				
Due to other governments	\$ 38,689	\$ 1,447	\$ (351)	\$ 39,785

**Farmland Preservation**

<b>Assets</b>				
Cash and cash equivalents	\$ 52,500	\$ 9,252	\$ -	\$ 61,752
<b>Liabilities</b>				
Due to other governments	\$ 52,500	\$ 9,252	\$ -	\$ 61,752

**Human Services - M. Howard**

<b>Assets</b>				
Cash and cash equivalents	\$ 520	\$ 3	\$ (490)	\$ 33
<b>Liabilities</b>				
Due to other governments	\$ 520	\$ 3	\$ (490)	\$ 33

**Wire Transfer Account**

<b>Assets</b>				
Cash and cash equivalents	\$ 20	\$ -	\$ -	\$ 20
<b>Liabilities</b>				
Due to other governments	\$ 20	\$ -	\$ -	\$ 20

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## **APPENDIX D**

### **FORM OF CONTINUING DISCLOSURE CERTIFICATE**

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\$5,250,000  
COUNTY OF GREENE  
(Pennsylvania)  
Dated February 10, 2021 - Final Maturity March 1, 2028  
GENERAL OBLIGATION NOTES, SERIES OF 2021

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the County of Greene (the “Issuer”), in connection with the issuance of its \$5,250,000 General Obligation Notes, Series of 2021 (the “Notes”). The Notes are being issued pursuant to an ordinance enacted by the Board of Commissioners of the Issuer on December 17, 2020 (the “Ordinance”). The Issuer covenants and agrees as follows:

Section 1. ***Purpose of the Disclosure Certificate.*** This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Noteholders and in order to comply with, and constitutes the written undertaking for the benefit of the holders of the Notes required by, Section (b)(5)(i) of Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (17 C.F.R. Part 240, § 240.15c2-12) (the “Rule”).

Section 2. ***Definitions.*** In addition to the definitions set forth in the Ordinance, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

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

“*Disclosure Representative*” means the Chairman of the Board of Commissioners of the Issuer or his or her designee, or such other officer or employee as the Issuer shall designate from time to time.

“*Dissemination Agent*” means any person or entity designated by the Issuer.

“*EMMA*” means the continuing disclosure service of the MSRB’s Electronic Municipal Market Access system, as established by SEC Release No. 34-58256, as amended, and approved by SEC Release No. 34-59061.

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

“*Listed Events*” means any of the events listed in Section 5(a) of this Disclosure Certificate, if such event is material with respect to the Notes.

“*Official Statement*” means that certain Official Statement of the Issuer dated January 6, 2021, as used in the public offering and sale of the Notes.

“*Tax-exempt*” means that interest on the Notes is excluded from gross income for federal income tax purposes, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating any other tax liability, including any alternative minimum tax.

Section 3. ***Provision of Annual Reports.*** The Issuer shall provide the Annual Report not later than the September 30 of each year, which follows the end of each fiscal year during the term of this Agreement (the “Report Date”), beginning with the fiscal year ended December 31, 2020 to EMMA which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate, provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report.

Section 4. ***Content of Annual Reports.*** The Issuer’s Annual Report shall contain or incorporate by reference the following financial information and operating data for the Issuer:

- (a) audited financial statements for the most recently ended fiscal year, prepared in accordance with generally accepted accounting principles consistently applied for counties within the Commonwealth of Pennsylvania;
- (b) a summary of the adopted budget for the current fiscal year (the fiscal year following that of the above-referenced audited financial statements); and
- (c) updated and current information consistent with the information appearing in Appendix A of the Official Statement, under the following headings:
  - (i) Real Estate Valuations;
  - (ii) Real Estate Tax Collections; and
  - (iii) Major Real Estate Taxpayers.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to EMMA. If the document incorporated by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board or EMMA. The Issuer shall clearly identify each such other document so incorporated by reference.

Section 5. ***Reporting of Significant Events.*** (a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events if such event is material with respect to the Notes:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability or Notices of Proposed Issue

(IRS Form 5701-TEB) or other similar events affecting the tax-exempt status of the security;

- (vii) modifications to the rights of security holders, if material;
- (viii) bond calls, except for mandatory scheduled redemptions not otherwise contingent upon the occurrence of an event, and tender offers;
- (ix) defeasances;
- (x) release, substitution or sale of property securing repayment of the securities, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event, such as determination of distressed status, affecting the Issuer;
- (xiii) the consummation of a merger, consolidation, or acquisition of the Issuer or the sale of all or substantially all of the assets of the Issuer, 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;
- (xiv) the appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (xv) the incurrence of a Financial Obligation of the Issuer, if material, or the agreement, in connection with a Financial Obligation, to new, or additional, covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and
- (xvi) Default, event of acceleration, termination event, modification of terms, or other similar event under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

(b) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event the Issuer shall as soon as practicable determine if such event is material information for holders of Notes, provided, that any event under subsection (a)(xi) will always be deemed to be material.

(c) If the Issuer has determined that knowledge of the occurrence of a Listed Event is material, the Issuer shall promptly notify the Paying Agent in writing and report the event pursuant to subsection (d).

(d) If the Issuer determines to report the occurrence of Listed Events pursuant to subsection (c) above, then the Issuer shall file a notice of such occurrence with EMMA. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(viii) and (ix) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Notes pursuant to the Ordinance.

Section 6. ***Termination of Reporting Obligation.*** The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Notes.

Section 7. ***Dissemination Agent.*** The Issuer 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 such Dissemination Agent with or without appointing a successor Dissemination Agent. If no replacement Dissemination Agent is appointed, the Issuer shall undertake all obligations thereof hereunder.

Section 8. ***Amendment; Waiver.*** Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, acceptable to the Issuer, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

Section 9. ***Additional Information.*** Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer 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 Issuer 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 Issuer 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 10. ***Default.*** In the event of a failure of the Issuer or the Dissemination Agent to comply with any provision of this Disclosure Certificate any holder of Notes may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed a default under the Ordinance or the Notes and the rights and remedies provided by the Ordinance and the Notes upon the occurrence of a default shall not apply to any such failure. The sole remedy under this Disclosure Certificate in the event of any failure of the Issuer or the Dissemination Agent to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. ***Immunities of Individuals.*** No recourse shall be had for any claim based hereon against any member, officer or employee, past, present or future, of the Issuer or the officers of the Issuer or of any successor body, as such.

Section 12. ***Beneficiaries.*** This Disclosure Certificate shall inure solely to the benefit of the Issuer, the initial purchaser of the Notes, and holders from time to time of the Notes, and shall create no rights in any other person or entity.



Section 13. *Notices.*

Any notices or communications to or with the Issuer may be given as follows:

County of Greene  
County Office Bldg., 3<sup>rd</sup> Floor  
93 East High Street  
Waynesburg, PA 15370  
Attention: Chief Clerk

IN WITNESS WHEREOF, the Issuer has caused its duly authorized officer to execute this Certificate as of this 10th day of February, 2021.

COUNTY OF GREENE

By: \_\_\_\_\_  
Chairman, Board of Commissioners

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## **APPENDIX E**

### **FORM OF OPINION OF BOND COUNSEL**

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## FORM OF OPINION OF BOND COUNSEL

*The form of the approving legal opinion of Dinsmore & Shohl LLP, Bond Counsel, is set forth below. The actual opinion will be delivered on the date of delivery of the Notes and may vary from the form set forth to reflect circumstances both factual and legal at the time of such delivery. Bond Counsel has no duty, and has assumed no obligation, to revise, update or supplement its opinion to address or reflect a change or changes in such circumstances subsequent to the date of delivery of the Notes, whether or not it has notice or obtains knowledge of the same, and whether or not this Official Statement shall be recirculated. The approving legal opinion of Bond Counsel represents its considered professional judgment, following a comparison of relevant factual certifications to applicable law. Such opinion is not a guarantee of a particular result, nor is such opinion binding on any administrative or judicial tribunal.*

We have served as Bond Counsel to the County of Greene (Pennsylvania) (the "Local Government Unit") and do hereby undertake to advise you in connection with the issuance, sale and delivery of its \$5,250,000, aggregate principal amount, General Obligation Notes, Series of 2021 (the "Notes"), issued in fully registered form, dated and bearing interest from February 10, 2021, maturing on various annual dates ending March 1, 2028 and subject to redemption at the option of the Local Government Unit beginning March 1, 2026.

In that capacity, we have examined the Constitution of the Commonwealth of Pennsylvania; The County Code, as amended, reenacted and continued by Act 154 of 2018 (the "County Code"); the Local Government Unit Debt Act, 53 Pa.C.S.A. §8001 et seq., as amended (the "Debt Act"); the formal action of the Governing Body of the Local Government Unit authorizing the incurrence of nonelectoral debt evidenced by the Notes (the "Debt Ordinance"); the corresponding Certificate of Approval of the Department of Community and Economic Development; the Internal Revenue Code of 1986, as amended (the "Tax Code"); and such other proceedings and law as we deemed necessary in order to render this opinion. We have reviewed the Federal Income Tax Certificate of an authorized officer of the Local Government Unit, along with other closing certificates of the Local Government Unit and other parties to the issuance and sale of the Notes. Unless separately noted, we have relied upon, but have not independently verified, factual certifications made to us by the Local Government Unit, its officers and agents, and by said other parties, both in such certificates and otherwise during the course of our engagement.

Both principal of and interest on the Notes are payable at the designated corporate trust office of U.S. Bank National Association, Pittsburgh, Pennsylvania, as Paying Agent for the Local Government Unit; the bank has additionally been appointed Registrar and Sinking Fund Depository for the Notes.

These proceedings demonstrate that, in the absence of any meritoriously-based action in a governmental or judicial forum affecting the validity of the Notes, the same have been delivered upon full payment.

We have not been engaged nor undertaken to review the adequacy of disclosure in the Official Statement nor in any other securities offering material produced in respect of the Notes and, except as to matters set forth in this opinion and described as such in said Official Statement, we express no opinion or belief with respect thereto.

Based on the foregoing, we are of the opinion on this date as follows:

1. The Notes are valid and binding general obligations of the Local Government Unit.

- (a) The Notes are issued for a valid purpose under the County Code.
- (b) The Notes, and all other outstanding debt of the Local Government Unit, are within constitutional and statutory limitations.
- (c) The Debt Ordinance authorizing the Notes was duly and properly enacted and is in full force and effect.
- (d) The Notes conform, in all substantial respects, to the form provided in the Debt Ordinance.

2. The Notes are secured by a pledge of the full faith, credit and taxing power of the Local Government Unit. The Local Government Unit has effectively covenanted in the Debt Ordinance to include the amount of debt service on this issue, in each fiscal year for which such sums are due, in its budget for that year; to appropriate such amounts to the payment of such debt service; and to pay or cause to be paid, from time to time as and when due, the principal of the Notes and the interest thereon on the dates, at the place and in the manner stated in the Notes.

3. Presently included among the general revenues of the Local Government Unit available for the payment of the Notes are ad valorem taxes which may be levied, without limitation as to rate or amount, upon all taxable real property situate within the corporate limits of the Local Government Unit.

4. The Notes are payable and enforceable according to their own terms, those of the Debt Ordinance and all provisions of the Debt Act; however, any such payment and enforcement could be restrained by a court of proper jurisdiction operating under the authority of bankruptcy, receivership and other similar laws of accommodation and adjustment of creditors' rights, as then applicable. Upon the satisfaction of certain preconditions under the Municipalities Financial Recovery Act, a municipality, such as the County, may seek to restructure its debt under the supervision of the Department of Community and Economic Development and is also authorized to file a Federal municipal debt adjustment action under Chapter 9 of the U.S. Bankruptcy Code.

5. The Notes, having all the qualities and incidents of securities under Article 8 of the Uniform Commercial Code, are negotiable instruments.

6. The Notes are an authorized investment, under the Probate, Estates and Fiduciaries Code, as amended, for fiduciaries and personal representatives (as such terms are therein defined) within the Commonwealth of Pennsylvania.

7. Under the laws, regulations, rulings and judicial decisions in effect as of the date hereof, interest on the Notes is excludable from gross income for Federal income tax purposes, pursuant to the Tax Code. Furthermore, interest on the Notes will not be treated as a specific item of tax preference, under Section 57(a)(5) of the Tax Code, in computing the alternative minimum tax for individuals. Due to the designation of the Notes as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code, certain financial institutions may be able to deduct 80% of the interest expense incurred in purchasing or carrying the Notes. In rendering the opinions in this paragraph, we have assumed continuing compliance with certain covenants designed to meet the requirements of Section 103 of the Tax Code. We express no opinion as to any other Federal income tax consequence arising from ownership of the Notes.

8. The Notes, and interest income therefrom, are free from taxation for purposes of personal and corporate net income taxes within the Commonwealth of Pennsylvania.

This opinion is rendered 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 be brought to our attention, or any changes in law that may hereafter arise.

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## **APPENDIX F**

### **SPECIMEN MUNICIPAL BOND INSURANCE POLICY**

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## MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: \_\_\_\_\_

MEMBER: [NAME OF MEMBER]

BONDS: \$ \_\_\_\_\_ in aggregate principal  
amount of [NAME OF TRANSACTION]  
[and maturing on]

Effective Date: \_\_\_\_\_

Risk Premium: \$ \_\_\_\_\_

Member Surplus Contribution: \$ \_\_\_\_\_

Total Insurance Payment: \$ \_\_\_\_\_

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: \_\_\_\_\_  
Authorized Officer

**Notices (Unless Otherwise Specified by BAM)**

Email:

[claims@buildamerica.com](mailto:claims@buildamerica.com)

Address:

1 World Financial Center, 27<sup>th</sup> floor  
200 Liberty Street  
New York, New York 10281

Telecopy:

212-962-1524 (attention: Claims)

SPECIMEN

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