

OFFICIAL STATEMENT

**New Issue – Book Entry Only**

Base CUSIP: 394660

**Bond Rating:** Standard & Poor's Ratings Services "AA"  
(stable outlook) / "A+" underlying  
AGM Insured (See "BOND INSURANCE"  
and "BOND RATING" herein.)

*In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings, and court decisions, interest on the Bonds (including, in the case of Bonds sold at an original issue discount, the difference between the initial offering price and par) is excluded from gross income for Federal income tax purposes. Bond Counsel is also of the opinion that interest on the Bonds is not a specific item of tax preference under §57 of the Internal Revenue Code of 1986, as amended (the "Code") for purposes of the Federal individual or corporate alternative minimum taxes. The Bonds, and interest income therefrom, are free from taxation for purposes of personal income, corporate net income, and personal property taxes within the Commonwealth of Pennsylvania. (See "TAX MATTERS" herein.)*

*The County has either "deemed designated" or designated the Bonds as "qualified tax-exempt obligations" for the purposes and effect contemplated by Section 265 of the Internal Revenue Code of 1986, as amended (concerning the interest expense deduction related to tax-exempt income of certain financial institutions).*

**\$5,780,000**  
**COUNTY OF GREENE**  
**(Commonwealth of Pennsylvania)**  
**GENERAL OBLIGATION BONDS, SERIES OF 2016**

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

INTEREST PAYABLE: March 1 and September 1  
FIRST INTEREST PAYMENT DATE: September 1, 2016

**PAYMENT OF PRINCIPAL AND INTEREST:** The General Obligation Bonds, Series of 2016, in the aggregate principal amount of \$5,780,000 (the "Bonds"), will be issued as fully registered bonds and, when issued, the Bonds will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York. So long as Cede & Co. is the registered owner, reference herein to the registered owner of Bonds shall mean Cede & Co., and not the Beneficial Owners (as defined herein). DTC will act as securities depository of the Bonds, and purchases of beneficial ownership interests in the Bonds will be made in book-entry form only, in denominations of \$5,000 or integral multiples thereof. Beneficial Owners will not receive certificates representing their interest in the Bonds. (See "BOOK-ENTRY ONLY SYSTEM" herein.) Interest on the Bonds is payable initially on September 1, 2016 and semiannually thereafter on March 1 and September 1 of each year until the principal sum thereof is paid. Principal of, and premium, if any, on the Bonds will be paid by U.S. Bank National Association, Pittsburgh, Pennsylvania (the "Paying Agent"). So long as Cede & Co. is the registered owner, the Paying Agent will pay principal of, and interest, on the Bonds to DTC, which will remit such principal and interest to its Direct or Indirect Participants (as defined herein), which will in turn remit such principal and interest to the Beneficial Owners of the Bonds, as more fully described herein. (See "BOOK-ENTRY ONLY SYSTEM" herein.) The Bonds are subject to redemption prior to their stated maturities, as more fully described herein. (See "REDEMPTION OF BONDS" herein.)

**SECURITY FOR THE BONDS:** The Bonds are general obligations of the County of Greene, Pennsylvania (the "County"), payable from its taxes and other available revenues which presently include ad valorem taxes which may be levied on all taxable real property within the County, without limitations to rate or amount for the payment when due of the principal of and the interest on the Bonds. (See "INTRODUCTORY STATEMENT" herein.) Neither the credit nor taxing power of the Commonwealth of Pennsylvania has been pledged for the payment of the Bonds. The County has covenanted that it will provide in its budget in each year, and will duly and punctually pay or cause to be paid from the sinking fund established under the Ordinance (as defined below) of the County pursuant to which the Bonds are issued and secured (the "Ordinance"), or from any other of its available revenues or funds, the principal of and the interest on every Bond on the dates and at the place and in the manner stated in the Bonds. For such budgeting, appropriation and payment, the County irrevocably has pledged its full faith, credit and all available taxing power.

**CREDIT ENHANCEMENT:** The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by Assured Guaranty Municipal Corp. ("AGM").



**AUTHORIZATION FOR ISSUANCE:** The Bonds are being issued in accordance with the Local Government Unit Debt Act of the Commonwealth of Pennsylvania, as amended [53 Pa.C.S.A. §8001 *et seq.*] (the "Act"), with the approval of the Pennsylvania Department of Community and Economic Development, and pursuant to the Ordinance enacted by the Board of County Commissioners of the County on December 17, 2015 (the "Ordinance").

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

**LEGAL APPROVALS:** *The Bonds 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, Bond Counsel. Certain additional matters will be passed upon for the County by its Solicitor, Cheryl C. Cowen, Esq., Waynesburg, Pennsylvania. The Bonds are expected to be available for delivery on February 16, 2016 (the "Date of Delivery"), in New York, New York.*

**REGISTRATION OF BONDS:** *Information concerning the Bonds has been furnished to The Depository Trust Company, New York, New York ("DTC"). It is expected that the Bonds will be book-entry only.*



The date of this Official Statement is January 12, 2016.

**\$5,780,000**  
**COUNTY OF GREENE**  
(Commonwealth of Pennsylvania)  
**GENERAL OBLIGATION BONDS, SERIES OF 2016**

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

INTEREST PAYABLE: March 1 and September 1  
FIRST INTEREST PAYMENT DATE: September 1, 2016

**BOND MATURITY SCHEDULE**

<u>Year</u> <u>March 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u> <u>to Maturity</u>	<u>Initial Offering</u> <u>Price</u> <sup>(1)</sup>	<u>CUSIP</u> <u>Numbers</u> <sup>(3)</sup>
2017	\$ 5,000	1.000%	1.000%	100.000%	394660EE0
2018	5,000	1.250%	1.250%	100.000%	394660EF7
2019	85,000	2.000%	1.390%	101.810%	394660EG5
2020	110,000	2.000%	1.500%	101.953%	394660EH3
2021	380,000	2.000%	1.650%	101.686%	394660EJ9
2022	915,000	2.000%	1.850% (2)	100.718% (2)	394660EK6
2023	930,000	2.000%	2.050%	99.673%	394660EL4
2024	955,000	2.000%	2.200%	98.532%	394660EM2
2025	970,000	2.250%	2.370%	99.028%	394660EN0
2026	990,000	2.250%	2.480%	97.966%	394660EP5
2027	435,000	2.375%	2.580%	98.040%	394660EQ3

(1) Based on settlement date of February 16, 2016.

(2) Yield / price to call.

(3) The above CUSIP (Committee on Uniform Securities Identification Procedures) numbers have been assigned by an organization not affiliated with the County or the Underwriter, (as defined herein) 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 bondholders 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 refunding or defeasance of such issue or the use of secondary market financial products. Neither the County nor the Underwriter has 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.

Assured Guaranty Municipal Corp. ("AGM") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM 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 AGM supplied by AGM and presented under the heading "Bond Insurance" and "Appendix C - Specimen Municipal Bond Insurance. Policy".

**SUMMARY STATEMENT**

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

- Issuer** ..... County of Greene, Pennsylvania (the "County").
  
- The Bonds** ..... \$5,780,000 aggregate principal amount of General Obligation Bonds, Series of 2016, (the "Bonds"). The Bonds are initially dated the Date of Delivery, and will mature as shown in the **BOND MATURITY SCHEDULE** on the inside of the Cover Page of this Official Statement. Interest on the Bonds will begin to accrue on the Date of Delivery, and is payable each March 1 and September 1 thereafter, commencing on September 1, 2016. (See **"THE BONDS"** herein.)
  
- Redemption Provisions** ..... The Bonds are subject to optional redemption prior to their stated dates of maturity, as more fully described herein. (See **"REDEMPTION OF BONDS"** herein.)
  
- Form of Bonds** ..... Book-Entry Only.
  
- Application of Proceeds** ..... The proceeds to be derived by the County from the issuance and sale of the Bonds will be used to: (1) refund, on a current refunding basis, the County's General Obligation Bonds, Refunding Series of 2011, currently outstanding in the aggregate principal amount of \$5,540,000; and (2) pay all costs and expenses incurred by the County in connection with the issuance and sale of the Bonds. (See **"PURPOSE OF THE BOND ISSUE," "THE REFUNDING PROGRAM," "SOURCES AND USES OF FUNDS," "DEBT LIMITS AND REMAINING BORROWING CAPACITY OF THE COUNTY - Future Financing," "SCHEDULE OF DEBT RATIOS,"** and **"SCHEDULE OF DEBT SERVICE OBLIGATIONS"** herein.)
  
- Security for the Bonds**..... The Bonds are general obligations of the County, for the payment of which the County has irrevocably pledged its full faith, credit and all available taxing power. (See **"INTRODUCTORY STATEMENT"** and **"SECURITY FOR THE BONDS"** herein.)
  
- Credit Enhancement** ..... The scheduled payment of the principal of and the interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by Assured Guaranty Municipal Corp. ("AGM"). (See **"BOND INSURANCE"** herein)
  
- Bond Rating** ..... The Bonds are expected to receive a credit rating of "AA" (stable outlook) from Standard and Poor's Ratings Services, 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 Bonds. S&P has also assigned an underlying rating of "A+" to the Bonds.
  
- Continuing Disclosure Undertaking** ..... The County has agreed to provide, or cause to be provided, in a timely manner, certain specified 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.)

**COUNTY OF GREENE**  
(Commonwealth of Pennsylvania)  
Greene County Office Building  
93 East High Street  
Waynesburg, Pennsylvania 15370  
Telephone: (724) 852-5223  
Fax: (724) 627-5428

**BOARD OF COUNTY COMMISSIONERS**

Honorable Blair Zimmerman ..... Chairman  
Honorable Dave Coder ..... Vice Chairman  
Honorable Archie Trader ..... Secretary

**ADMINISTRATIVE OFFICIALS**

Jeff Marshall ..... Chief Clerk  
Hon. Farley Toothman ..... President Judge  
Cory L. Grandel ..... Treasurer  
David Balint ..... Controller  
Susan White ..... Prothonotary  
Donna Tharp ..... Register & Recorder  
Sherry Wise ..... Clerk of Courts  
Brian Tennant ..... Sheriff  
Marjorie J. Fox, Esq. .... District Attorney  
Harry J. Cancelmi, Esq. .... Public Defender  
Gregory P. Rohanna ..... Corner  
Robbie Matesic ..... Planning Director  
Karen Bennett ..... Human Services Director  
J. Allen Blaker ..... Recreation Director  
Scott E. Kelley ..... Budget Director  
Mary Ann Lewis ..... Chief Assessor

**COUNTY SOLICITOR**

Cheryl C. Cowen, Esq.  
Waynesburg, Pennsylvania

**PAYING AGENT**

U.S. Bank National Association  
Pittsburgh, Pennsylvania

**BOND COUNSEL**

Dinsmore & Shohl LLP  
Pittsburgh, Pennsylvania

**UNDERWRITER**

Janney Montgomery Scott LLC  
Pittsburgh, Pennsylvania

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 Bonds 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 that are believed to be reliable, but the County does not guarantee the accuracy or completeness of information from sources other than the County. No representation is made by Janney Montgomery Scott LLC, Pittsburgh, Pennsylvania, as the Underwriter (the "Underwriter"), as to the accuracy or completeness of the information 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.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE BONDS 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 BONDS OR THE ORDINANCE IN ACCORDANCE WITH APPLICABLE PROVISIONS OF THE SECURITIES LAWS OF CERTAIN STATES, IF ANY, IN WHICH THE BONDS 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 BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

The County has previously provided the Underwriter with a copy of its Preliminary Official Statement, dated January 5, 2016. As of its date, the Preliminary Official Statement was "deemed final" for the purposes of SEC Rule 15c2-12(b)(1). The County deems this Official Statement to be final for the purpose of SEC Rule 15c2-12(b)(3).

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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

**\$5,780,000**

**COUNTY OF GREENE**

(Commonwealth of Pennsylvania)

**GENERAL OBLIGATION BONDS, SERIES OF 2016**

**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 its \$5,780,000, aggregate principal amount, General Obligation Bonds, Series of 2016 (the "Bonds"). The Bonds are authorized to be issued pursuant to the provisions of the Pennsylvania Local Government Unit Debt Act of the Commonwealth of Pennsylvania, as amended, 53 Pa. C.S. Chs. 80-82 (the "Act") and are described in, and are being issued pursuant to the provisions of, an Ordinance enacted by the Board of County Commissioners of the County on December 17, 2015 (the "Ordinance").

The Bonds will be issued as fully registered bonds and when issued, will be registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry only form and purchasers will not receive certificates representing their interests in the Bonds. So long as DTC, or its nominee, Cede & Co., is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made by U.S. Bank National Association, Pittsburgh, Pennsylvania (the "Paying Agent") directly to Cede & Co. Disbursement of such payments to DTC Participants is the responsibility of DTC, and disbursement of such payments to Beneficial Owners of the Bonds is the responsibility of the DTC Participants and Indirect Participants. See "**THE BONDS**" below, and "**BOOK-ENTRY ONLY SYSTEM**" herein.

The approval of the Department of Community and Economic Development of the Commonwealth of Pennsylvania (the "Commonwealth"), for the proceedings undertaken by the County to issue and deliver the Bonds 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 the issuance of the Bonds or in the creation of the debt of which any Bond is evidence, exist, will have happened, and will have been performed in regular and due form and manner as required by law; the Bonds, together with all other indebtedness of the County, will be within every debt limit prescribed by the Constitution and the statutes of the Commonwealth. The County will have established under the Ordinance with U.S. Bank National Association, presently having a corporate trust office in Pittsburgh, Pennsylvania, or its designee, as the paying agent, transfer agent, bond registrar, a sinking fund for the payment of the Bonds. The Bonds are secured by a pledge of the full faith, credit, and all available taxing power of the County. (See "**SECURITY FOR THE BONDS**" and "**TAXES AND TAXING POWER OF THE COUNTY**" herein.) The Act presently provides for enforcement of debt service payments as hereinafter described (see "**SECURITY FOR THE BONDS - Bondholder Rights and Remedies**" herein.)

The proceeds to be derived by the County from the issuance and sale of the Bonds will be used to: (1) refund, on a current refunding basis, the County's General Obligation Bonds, Refunding Series of 2011, currently outstanding in the aggregate principal amount of \$5,540,000; and (2) pay all costs and expenses incurred by the County in connection with the issuance and sale of the Bonds. (See "**PURPOSE OF THE BOND ISSUE**," "**THE REFUNDING PROGRAM**," "**SOURCES AND USES OF FUNDS**," "**DEBT LIMITS AND REMAINING BORROWING CAPACITY OF THE COUNTY - Future Financing**," "**SCHEDULE OF DEBT RATIOS**," and "**SCHEDULE OF DEBT SERVICE OBLIGATIONS**" herein.)

The scheduled payment of the principal of and the interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by Assured Guaranty Municipal Corp. ("AGM"). (See "**BOND INSURANCE**" herein.)

**THE BONDS**

**Payment of Principal and Interest**

The aggregate principal amount of the Bonds is \$5,780,000. The Bonds are dated the date of delivery, and will accrue interest from that date at the respective rates per annum, and will mature in the amounts and on the dates listed in the **BOND MATURITY SCHEDULE** on the inside of the cover page of this Official Statement. Interest is payable initially on September 1, 2016 and thereafter semiannually on March 1 and September 1 of each year ("Interest Payment Dates"), until the principal amount thereof is paid.

So long as Cede & Co., as nominee of DTC, is the registered owner of the Bonds, payments of principal of and interest on the Bonds, when due, are to be made to DTC and all such payments shall be valid and effective to satisfy fully and to discharge the obligations of the County with respect to, and to the extent of, principal and interest so paid.

If the use of the Book-Entry Only System for the Bonds is discontinued for any reason, Bond certificates will be issued to the Beneficial Owners of the Bonds and payment of principal and interest on the Bonds shall be made as described in the following Paragraphs:

Principal of certificated Bonds will be paid to the registered owners thereof or assigns, when due, upon surrender of such Bonds at the designated corporate trust office of the Paying Agent.

Interest is payable to the registered owner of a Bond from the interest payment date next preceding the date of registration and authentication of the Bond unless: (a) such Bond is registered and authenticated as of an interest payment date, in which event such Bond shall bear interest from said interest payment date, or (b) such Bond is registered and authenticated after a Record Date (hereinafter defined) and before the next succeeding interest payment date, in which event such Bond shall bear interest from such interest payment date, or (c) such Bond is registered and authenticated on or prior to the Record Date preceding September 1, 2016, in which event such Bond shall bear interest from the Date of Delivery, or (d) as shown by the records of the Paying Agent, interest on such Bond shall be in default, in which event such Bonds shall bear interest from the date on which interest was last paid on such Bond. Interest shall be paid initially on September 1, 2016, and thereafter, semiannually on March 1 and September 1 of each year, until the principal sum is paid. Interest on a certificated Bond is payable by check drawn on the Paying Agent, which shall be mailed to the registered owner whose name and address shall appear, at the close of business on the fifteenth day of the month (whether or not a day on which the paying agent is open for business) next preceding each interest payment date (the "Record Date"), on the registration books maintained by the Paying Agent, irrespective of any transfer or exchange of the Bond subsequent to such Record Date and prior to such interest payment date, unless the County shall be in default in payment of interest due on such interest payment date. In the event of any such default, such defaulted interest shall be payable to the person in whose name the Bond is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Paying Agent to the registered owners of such Bonds not less than fifteen days preceding such special record date. Such notice shall be mailed to the persons in whose names such Bonds are registered at the close of business on the fifth day preceding the date of mailing.

If the date for payment of the principal of or interest on any Bonds shall be a Saturday, Sunday, legal holiday, or a day on which banking institutions in the Commonwealth are authorized or required by law or executive order to close, then the date for payment of such principal or interest shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or a day on which such banking institutions are authorized or required to close, and payment on such date shall have the same force and effect as if made on the nominal date established for such payment.

#### **Paying Agent, Transfer Agent, Bond 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. The Paying Agent has not independently passed upon the validity of the Bonds, the security therefor, the adequacy of the provisions for payment thereof, or the tax-exempt status of the interest on the Bonds. 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 Bonds 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.

#### **Sinking Fund**

The Ordinance provides for the creation of a Sinking Fund - General Obligation Bonds, Series of 2016 (the "Sinking Fund"); moneys deposited therein shall be held by the Paying Agent or its designee and segregated from all other funds of the County. The County shall deposit into such Sinking Fund not later than the date when interest or principal is to become due on the Bonds relating thereto, amounts sufficient to pay the principal and interest then due on such Bonds.

Money held in the Sinking Fund shall be maintained by the Paying Agent or its designee and may be invested in securities or deposits as authorized by law, upon direction of the County. Such deposits and securities shall be in the name of the County and shall be subject to withdrawal or collection by the Paying Agent or its designee only to pay debt service on the Bonds, and such deposits and securities, together with the interest earned thereon, shall be part of such Sinking Fund.

The Paying Agent, as sinking fund depository, is authorized without further order from the County to pay from the Sinking Fund the principal of and interest on the Bonds, as and when due and payable.

#### **BOOK-ENTRY ONLY SYSTEM**

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each maturity of the Securities, 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's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

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

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

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

Redemption notices shall be sent to DTC. If less than all of the Securities within a maturity 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 Securities 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 Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

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



A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to the Paying Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to the Paying Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to the Paying Agent's DTC account.

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

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

The 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.

## **REDEMPTION OF BONDS**

### **Notice of Redemption**

So long as Cede & Co., as nominee of DTC, is the registered owner of the Bonds, however, the County and the Paying Agent shall send redemption notices only to Cede & Co. See "**BOOK-ENTRY ONLY SYSTEM**" herein for further information regarding conveyance of notices to Beneficial Owners.

If at a time of mailing of a notice of redemption the County shall not have deposited with the Paying Agent (or, in the case of a refunding, with another bank or depository acting as a refunding escrow agent) money sufficient to redeem all Bonds called for redemption, the notice of redemption may state it is conditional, i.e., that it is subject to the deposit of sufficient redemption money with the Paying Agent not later than the redemption date, and such notice shall be of no effect unless such money is so deposited.

When required or directed to redeem Bonds, the Paying Agent shall cause notice of the redemption to be given by first-class mail, postage pre-paid, to all registered holders of Bonds to be redeemed at their registered addresses in not less than 30 days, nor more than 60 days, prior to the redemption date. Any such notice shall be given in the name of the County, shall identify the Bonds to be redeemed (and, in the case of a partial redemption of any Bonds, the respective principal amounts thereof to be redeemed), shall specify the redemption date and the redemption price and shall state that on the redemption date the Bonds called for redemption will be payable at a designated office of the Paying Agent or its designee and that from that date interest will cease to accrue on the Bonds or portions thereof to be redeemed. Failure to mail any notice or any defect in the mailed notice or in the mailing thereof shall not affect the validity of the proceedings for the redemption of Bonds with respect to which no such failure or defect occurred. The Paying Agent may use CUSIP numbers in notices of redemption as a convenience to holders of the Bonds, provided that such notice shall state that no representation is made as to the correctness of such numbers either as printed on the Bonds or as contained in any notice of redemption and that reliance may be placed only on the serial numbers of the Bonds.

If the date for the payment of the principal of, interest on, or redemption premium, if any, on any of the Bonds shall be a Saturday, Sunday, legal holiday, or a day on which banking institutions in the Commonwealth are authorized or required by law or executive order to close, then the date for payment of the principal, redemption premium, if any, and interest shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or a day on which such banking institutions in the Commonwealth are authorized or required to close, and payment on such date shall have the same force and effect as if made on the nominal date of payment.

### **Manner of Redemption**

Portions of any Bond of a denomination larger than \$5,000 may be redeemed, but only in the principal amount of \$5,000 or any integral multiple thereof. For the purpose of redemption, each Bond shall be treated as representing the number of Bonds that is equal to the principal amount thereof divided by \$5,000, each \$5,000 portion of such Bond being subject to redemption. Upon surrender of any Bond for redemption of a portion only, the Paying Agent shall authenticate and deliver to the owner thereof a new Bond or Bonds of the same series, maturity date and interest rate, in authorized denominations in an aggregate principal amount equal to the unredeemed portion of the Bond surrendered.

So long as Cede & Co., nominee of DTC, is the registered owner of the Bonds, however, payment of the redemption price shall be made by Cede & Co., in accordance with the existing arrangements by and among the County, the Paying Agent and DTC and, if less than all of the Bonds in a particular maturity are to be redeemed, the amount of the interest of each DTC Participant, Indirect Participant and Beneficial Owner of such Bonds to be redeemed shall be determined by the governing arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. See "**BOOK-ENTRY ONLY SYSTEM**" herein for further information regarding redemption of Bonds registered in the name of Cede & Co.

### **Mandatory Redemption**

The Bonds are not subject to mandatory redemption prior to their stated dates of maturity.

### **Optional Redemption**

The Bonds stated to mature on and after March 1, 2022, 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, 2021, 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.

## **SECURITY FOR THE BONDS**

### **General**

The County has covenanted that it will provide in its budget for each year, and will appropriate from its revenues in each such year, the amount of the debt service on the Bonds for such year, and will duly and punctually pay or cause to be paid from its Sinking Fund, or any other of its available revenues or funds, the principal of, redemption premium, if any, and the interest on the Bonds, as and when due, at the dates and places and in the manner stated on the Bonds. For such budgeting, appropriation, and payment, the County has irrevocably pledged its full faith, credit and all available taxing power. Such pledge is specifically enforceable but is subject to the limitations of bankruptcy, insolvency, and other laws or equitable principles affecting creditor rights generally. The Act presently provides for enforcement of debt service payments as hereinafter described (see "**Bondholder Rights and Remedies**" below.)

No recourse shall be had for the payment of the principal of or the interest on any Bond, or for any claim based thereon or in the Ordinance against any member of the Board of County Commissioners, or any officer or employee of the County, past, present, or future or of any successor body, as such, either directly or through the County or any such successor body, under any constitutional provision, statute or rule of law, or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, and all such liability of such members of the County Commissioners, officers, or employees is released as a condition of and as consideration for the issuance of the Bonds.

### **Bondholder Rights and Remedies**

The remedies available to holders of the Bonds upon any failure to pay the principal of, redemption premium, if any, and the interest on the Bonds, 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 Bonds will, subject to certain priorities, have the right to bring suit for the amount due in the Court of Common Pleas of the County. The Act provides that, if the County defaults in the payment of the principal of, redemption premium, if any, and the interest on the Bonds, 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 Bonds or the Ordinance, then the holders of 25% in aggregate principal amount of the Bonds may appoint a trustee to represent the holders of the Bonds.

Such trustee may, and upon written request of the holders of 25% in aggregate principal amount of the Bonds 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 Bonds, (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 Bonds 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, Assured Guaranty Municipal Corp. ("AGM") 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 Appendix C 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.

## **ASSURED GUARANTY MUNICIPAL CORP.**

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO". AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and global public finance, infrastructure and structured finance markets. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM's financial strength is rated "AA" (stable outlook) by Standard and Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A2" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM 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 relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

### *Current Financial Strength Ratings*

On June 29, 2015, S&P issued a credit rating report in which it affirmed AGM's financial strength rating of "AA" (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On November 13, 2014, KBRA assigned an insurance financial strength rating of "AA+" (stable outlook) to AGM. AGM can give no assurance as to any further ratings action that KBRA may take.

On July 2, 2014, Moody's issued a rating action report stating that it had affirmed AGM's insurance financial strength rating of "A2" (stable outlook). On February 18, 2015, Moody's published a credit opinion under its new financial guarantor ratings methodology maintaining its existing rating and outlook on AGM. AGM can give no assurance as to any further ratings action that Moody's may take.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2014.

### *Capitalization of AGM*

At September 30, 2015, AGM's policyholders' surplus and contingency reserve were approximately \$3,769 million and its net unearned premium reserve was approximately \$1,603 million. Such amounts represent the combined surplus, contingency reserve and net unearned premium reserve of AGM, AGM's wholly owned subsidiary Assured Guaranty (Europe) Ltd. and 60.7% of AGM's indirect subsidiary Municipal Assurance Corp.; each amount of surplus, contingency reserve and net unearned premium reserve for each company was determined in accordance with statutory accounting principles.

### *Incorporation of Certain Documents by Reference*

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

- (i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2014 (filed by AGL with the SEC on February 26, 2015);
- (ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2015 (filed by AGL with the SEC on May 8, 2015);
- (iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2015 (filed by AGL with the SEC on August 6, 2015); and
- (iv) the Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2015 (filed by AGL with the SEC on November 6, 2015).

All consolidated financial statements of AGM and all other information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference

into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at <http://www.sec.gov>, at AGL's website at <http://www.assuredguaranty.com>, or will be provided upon request to Assured Guaranty Municipal Corp.: 31 West 52<sup>nd</sup> Street, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AGM included herein under the caption "BOND INSURANCE – Assured Guaranty Municipal Corp." or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

*Miscellaneous Matters*

AGM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM 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 AGM supplied by AGM and presented under the heading "BOND INSURANCE".

**PURPOSE OF THE BOND ISSUE**

The proceeds to be derived by the County from the issuance and sale of the Bonds will be used to: (1) refund, on a current refunding basis, the County's General Obligation Bonds, Refunding Series of 2011, currently outstanding in the aggregate principal amount of \$5,540,000; and (2) pay all costs and expenses incurred by the County in connection with the issuance and sale of the Bonds.

**THE REFUNDING PROGRAM**

A portion of the net proceeds of the Bonds will be deposited with U.S. Bank National Association, as Paying Agent (the "2011 Paying Agent"), for the Refunding Series of 2011 Bonds. The moneys so deposited will be applied by the 2011 Paying Agent to redeem on March 1, 2016, the outstanding Refunding Series of 2011 Bonds by paying 100% of the principal amount thereof plus accrued interest to the redemption date (there being no premium payable upon the redemption thereof).

**SOURCES AND USES OF FUNDS**

The proceeds from the sale of the Bonds shall be applied substantially in the following manner:

**Sources of Funds:**

The Bonds	\$ 5,780,000.00
Net Original Issue Discount/Premium <sup>(1)</sup>	<u>(38,488.20)</u>
Total Sources of Funds	<u>\$ 5,741,511.80</u>

**Uses of Funds:**

Deposit to the Series of 2011 Sinking Fund	\$ 5,633,895.63
Deposit to the Debt Service Fund	645.03
Issuance costs - legal, paying agent, printing, rating fee, insurance premium, bond discount, advertising, filing, CUSIP numbers and miscellaneous expenses	<u>106,971.14</u>
Total Uses of Funds	<u>\$ 5,741,511.80</u>

(1) See "ORIGINAL ISSUE DISCOUNT" and "ORIGINAL ISSUE PREMIUM" herein.

## COUNTY OF GREENE (Commonwealth of Pennsylvania)

### Introduction

The County of Greene, Commonwealth of Pennsylvania (the "County"), is located in the extreme 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, Richill, Springhill, Washington, Wayne, and Whiteley (collectively, the "Component Municipalities").

The Component Municipalities of the County together constitute a combined land area of 577 square miles, which represents 1.2% of the total land area of the Commonwealth of 44,888 square miles; the County is also ranked 39th among the 67 counties comprising the Commonwealth in terms of total land area. The 2010 U.S. Census population of the County is 38,686 people residing in some 14,724 households.

### County Government and Administration

Greene County is a county of the sixth class pursuant to the provisions of the County Code. The three-member Board of County Commissioners, elected at large for four-year terms of office, govern the County as the executive and legislative officers. Other administrative officials elected at large for four-year terms of office include the following: 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 Office, the Planning and Development Department, the Recreation Department, the Human Services Department, Emergency Management and 911 Communications Center, and the Greene County Prison.

*SOURCE: County Commissioners Office.*

### Comparative Population Trends

The following table depicts the comparative population trends of the County and the Commonwealth of Pennsylvania.

<u>Political Subdivision</u>	<u>1970 U.S. Census</u>	<u>1980 U.S. Census</u>	<u>1990 U.S. Census</u>	<u>2000 U.S. Census</u>	<u>2010 U.S. Census</u>	<u>Percentage of Change 2000-2010</u>
Greene County	36,090	40,476	39,550	40,672	38,686	-4.88%
Commonwealth of Pennsylvania	11,800,766	11,864,720	11,881,643	12,281,054	12,702,379	3.43%

*SOURCE: U.S. Census Data and The Pennsylvania State University Data Center.*

**Employment and Labor Relations**

The County presently has a total of 352 employees, comprised of 281 full-time, 21 part-time, and 50 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, 2016 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, 2016. The County generally considers its labor relations to be good.

SOURCE: County Commissioners Office.

**Employee Retirement Plans**

All persons employed on a full-time basis by the County who are reasonably expected to complete 1,000 hours of service annually participate in the Greene County Employee Pension Plan (the "Plan"). The Plan is governed by Act 96, County Pension Law. Regular annual actuarial valuation reports on the Plan are performed by the Hay Group, Philadelphia, Pennsylvania.

Membership of the plan consisted of the following at January 1, 2015, the date of the latest actuarial valuation:

Inactive Plan Members and Beneficiaries Receiving Benefits	89
Inactive Plan Members Entitled to but not yet Receiving Benefits	21
Active Plan Members	<u>263</u>
<b>Total</b>	<b><u>373</u></b>

Plan members are required to contribute 7% of their annual covered salary and the County is required to contribute at an actuarially determined rate. That rate, and the actual County contributions, are shown in the table below:

**Schedules of Employer Contributions**

<u>Year</u>	<u>Annual Required Contribution</u>	<u>County Contribution</u>
2007	\$447,615	\$451,000
2008	424,472	413,000
2009	445,695	528,000
2010	638,240	755,000
2011	736,803	736,803
2012	500,103	799,125
2013	513,042	556,000
2014	299,640	329,082

Note: Effective in 2010, the Entry Age Funding Method was used to determine the annual required contribution. Prior to 2010 the Aggregate Method was used.

The Pension has been in the past, and remains, a focus for the County. While increasing benefits, the County has also endeavored to reach 100% funding of this Plan and has over-contributed where possible; the plan is currently 106.7% funded, as shown below:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2013	\$17,452,615	\$17,765,776	\$ 313,161	98.2%	\$9,604,104	3.3%
1/1/2014	20,810,205	19,353,903	(1,456,302)	107.5%	9,805,909	(14.7%)
1/1/2015	22,773,065	21,347,556	(1,425,509)	106.7%	10,525,102	(13.5%)

Additional information, pertinent to the Greene County Pension Plan, is as follows:

**Notes to the Required Schedules**

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation Date	1/1/2015
Actuarial Cost Method	Entry Age
Asset Valuation Method	The method that is prescribed by Pennsylvania State Law, Act 44
Actuarial Assumptions:	
Investment Rate of Return*	7.5%
Projected Salary Increases*	3.5%
*Includes Inflation at	3.0%

**Accounting Procedures for Calculating – Net Pension Obligation (NPO)**

(1) Year	(2) ARC	(3) Interest on NPO***	(4) ARC Adjustment**	(5) Pension Cost (2+3-4)	(6) Contribution	(7) Change in NPO (5-6)	(8) NPO Balance* (BB+7)
2007	\$447,615	\$21,692	\$35,593	\$433,714	\$451,000	\$(17,286)	\$271,938
2008	424,472	20,395	33,466	411,401	413,000	(1,599)	270,339
2009	445,695	20,275	33,269	432,701	528,000	(95,299)	175,040
2010	638,240	13,128	17,170	634,198	755,000	(120,902)	54,238
2011	736,803	4,068	17,170	723,701	736,803	(13,102)	41,136
2012	500,103	3,085	5,315	497,873	799,125	(301,252)	(260,116)
2013	513,042	(19,509)	(33,746)	527,279	556,000	(28,721)	(288,837)
2014	299,640	(21,663)	(37,575)	315,552	329,082	(13,530)	(302,367)

\* BB=Beginning balance for the year.

\*\* ARC Adjustment – Amortization factor based upon level percentage of projected payroll.

\*\*\* Interest on the balance of the NPO at the beginning of the year using the investment return rate assumed in determining ARC. The interest is an estimate of the investment earnings lost to the plan on any contributions that were not made (7.5% when applicable).

**Unfunded Actuarial Liability January 1, 2015**

1.	Actuarial Liability:	
	(a) Active Participants	
	Retirement Benefits	\$ 8,808,492
	Termination Benefits	388,137
	Death Benefits	308,057
	Total	\$ 9,504,686
	(b) Terminated Vested Participants	587,144
	(c) Retired Members and Beneficiaries	4,345,486
	(d) Member Accumulated Deductions	6,910,240
	(e) Total (a) + (b) + (c) + (d)	\$ 21,347,556
2.	Actuarial Value of Plan Assets	22,773,065
3.	Unfunded Actuarial Liability as of January 1, 2015: (1e) - (2)	\$ (1,425,509)

**Normal Cost for 2015**

1.	Normal Cost for:	
	(a) Retirement Benefits	\$ 404,074
	(b) Termination Benefits	37,363
	(c) Death Benefits	14,911
	(d) Normal Cost as of January 1, 2015	\$ 456,348
	(e) Normal Cost with interest to end of year: (d) x 1.075	\$ 490,574

<b>Assets</b>	
Members' Annuity Reserve Account	\$ 6,711,652
County Annuity Reserve Account	11,715,927
Retired Members' Reserve Account	<u>4,345,486</u>
<i>Total Assets (Market Value) of the Greene County Employees' Retirement Fund</i>	<u>\$ 22,773,065</u>

<b>Liabilities</b>	
Actuarial Present Value of:	
Accumulated Plan Benefits	
Vested (163)	\$ 5,494,390
Non Vested (100)	117,984
Future Benefit Accruals	7,242,902
Terminated Vested Benefits	587,144
Retired Benefits	4,345,486
Member Accumulated Deductions	<u>6,910,240</u>
<i>Total Liabilities of the Greene County Employees' Retirement Fund</i>	<u>\$ 24,698,146</u>

#### **Other Post-Employment Benefits**

The County of Greene does not offer other Post-Employment Benefits to its employees and therefore has no Other Post-Employment Benefits liability.

#### **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 the President Judge. In 1998, the County, as directed by the Commonwealth, elected an additional judge to assist the President Judge. 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 31 years, is 196; the average daily population is 75 prisoners. Prisoners from neighboring counties are housed regularly in the County Prison, and the County does not accept federal prisoners. The average daily number of prisoners from outside the County is 37 and the daily fee charged by the County for outside prisoners is \$50.00.

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

*SOURCE: County Commissioners Office.*

#### **County Development**

The Greene County Board of Commissioners is currently responsible for the appointment of members to the Greene County Industrial Development Authority. The Authority and the Board of Commissioners are committed to the economic and industrial development of Greene County.

The rising price of oil world-wide over the previous decade, combined with global security concerns, has allowed the natural gas industry to proceed with the development and extraction of the natural gas in the Marcellus Shale. Greene County is entirely within that region and has become the 4<sup>th</sup> largest permitted county in the state of Pennsylvania. The influx of companies and jobs has had a large, positive impact on the county economy and development.

In 1998, the Greene County Industrial Development Authority broke ground on the Meadow Ridge Industrial Park. Meadow Ridge is located on Interstate 79 in Mt. Morris, in southern Greene County. This 108-acre business park is strategically situated between Washington, Pennsylvania and Morgantown, West Virginia and is a joint project between the Industrial Development Authority, the County, and the Regional Industrial Development Corporation. In January of 2010, all remaining space within the Meadow Ridge Park was purchased by Royal Crown Development as a base of operations for the extraction of Marcellus Shale natural gas. The operation of Yost Drilling on an adjacent 23 acre parcel was bought out and occupied by a Chesapeake Energy, Nomac Drilling and Diamond-Y Inc. for the same purpose.

In late 2009, Halliburton leased a facility covering 33 acres in the Carmichaels area as a base for its drilling



operations within the county. This story has been repeated county-wide; vacant and under-utilized land has been converted to field offices, parking and repair facilities and supply depots. Unemployment within the county has fallen and the County is ranked fifth-lowest in the state and has a lower unemployment rate than the state as a whole and the adjoining counties. County hotels and camping areas are full and new ones are being built.

In 2002, the Authority broke ground on the 248-acre EverGreene Technology Park located adjacent to the Greene County Airport at Interstate 79 and Route 21 near Waynesburg. To date EverGreene has attracted \$40 Million in public and private investment and currently houses a laboratory of the RJ Lee Group, the Pennsylvania Services Corp division of Alpha Natural Resources, Consol Energy, a satellite campus of Westmoreland County Community College, the Armory for Company B, 1-110<sup>th</sup> Infantry Regiment of the Pennsylvania Army National Guard, Chesapeake Energy, RG Johnson and the Greene County Industrial Development Corporation. Irwin Car & Equipment has also purchased property in the park and will build soon.

In 2005, the Board of Commissioners announced an agreement to build a Wal-Mart Super Center in Greene County. The property is located off of Route 21 opposite the site of the Greene County Airport and EverGreene Technology Park and required the development of Murtha Drive to extend to Rolling Meadows Road. The Wal-Mart opened in late 2007. The entire retail development area is 55 acres and Wal-Mart is using approximately 18 acres. A local entrepreneur purchased the remaining land in 2013 and is planning further development.

SOURCE: County Commissioners Office.

**DEBT LIMITS AND REMAINING BORROWING  
CAPACITY OF THE COUNTY**

The County's borrowing capacity is governed by the Act. Under the Act, the County has no legal limitation on debt of any classification approved by a majority of its electors at a general or specific election. The Act places the following limitations upon that part of the County's nonelectoral and lease rental debt that is not subsidized or self-liquidating:

1. Nonelectoral debt – 300% of its borrowing base.
2. Aggregate lease rental debt and nonelectoral debt – 400% of its borrowing base.
3. Additional debt limit (under Section 8022(d) of the Act where the County has assumed county-wide responsibility for hospitals and other public health services, air and water pollution control, flood control, environmental protection, water distribution, and supply systems, sewage and refuse collection and disposal systems, education, highways, public transportation or port operations) – additional 100% of its borrowing base.

**Calculation of Borrowing Base**

	Fiscal Year Ending December 31,		
	<u>2012</u>	<u>2013</u>	<u>2014</u>
Total General Fund Revenues	\$ 18,073,440	\$ 17,808,156	\$ 20,027,987
Less:			
(i) Subsidies or reimbursements from the Federal Government or the Commonwealth of Pennsylvania in connection with particular projects financed by debt	-	-	-
(ii) Project rates, receipts, user charges, special assessments and special levies pledged or budgeted for specific self-liquidating debt, or for payments under leases, guaranties, etc.	-	-	-
(iii) Interest on moneys in sinking funds, reserves, and other funds, which interest is pledged or budgeted in connection with outstanding debt, and on bond or note proceeds, if so pledged	-	-	-
(iv) Grants and gifts in connection with construction or acquisition of specific projects	46,662	60,074	-
(v) Proceeds from disposition of capital assets and other nonrecurring items	<u>146,576</u>	<u>208,181</u>	<u>211,960</u>
Total Exclusions	<u>\$ 193,238</u>	<u>\$ 268,255</u>	<u>\$ 211,960</u>
Net Revenues	<u>\$ 17,880,202</u>	<u>\$ 17,539,901</u>	<u>\$ 19,816,027</u>
Total Net Revenues for Three Years			<u>\$ 55,236,130</u>
Borrowing Base (Total Net Revenues / 3)			<u>\$ 18,412,043</u>

SOURCE: Annual Financial Reports of the County and County Administrative Officials.

**Schedule of Existing Indebtedness <sup>(1)</sup>**

a.	Electoral Debt		None
b.	Nonelectoral Debt:		
	The Bonds	\$	5,780,000
	General Obligation Bonds, Series of 2014		<u>4,210,000</u>
	Total Nonelectoral Debt	\$	<u>9,990,000</u>
c.	Lease Rental Debt:	\$	<u>-</u>
	Total Net Nonelectoral and Lease Rental Debt	\$	<u>9,990,000</u>

(1) For additional detailed information regarding the existing indebtedness of the County, please see "**SCHEDULE OF DEBT RATIOS**" and "**SCHEDULE OF DEBT SERVICE OBLIGATIONS**" herein.

**Calculation of Debt Limits and Remaining Borrowing Capacity**

<u>Debt Item</u>	<u>Debt Limit</u>	<u>Debt Outstanding <sup>(1)</sup></u>	<u>Remaining Borrowing Capacity</u>
Net Nonelectoral Debt Limit	\$ 55,236,130 <sup>(2)</sup>	\$ 9,990,000	\$ 45,246,130
Net Nonelectoral and Lease Rental Debt Limit	73,648,173 <sup>(3)</sup>	9,990,000	63,658,173

(1) Includes the principal amount of Bonds offered through this Official Statement.

(2) 300% of Borrowing Base.

(3) 400% of Borrowing Base.

**Future Financing**

The County does not foresee the need to incur bonded indebtedness in the near future.

**SCHEDULE OF DEBT RATIOS**

	<b>Current Balance</b>
<b>Debt:</b>	
Total Net Nonelectoral Debt (1)	\$ 9,990,000
Total Lease Rental Debt	<u>-</u>
<b>Total Direct Debt</b>	<b><u>\$ 9,990,000</u></b>
 <b><u>Overlapping Debt:</u></b>	
Municipal General Obligation and Lease Rental Debt	\$ 25,599,509
School District General Obligation and Lease Rental Debt	<u>89,870,119</u>
<b>Total Overlapping Debt</b>	<b><u>\$ 115,469,628</u></b>
<b>Total Direct and Overlapping Debt</b>	<b><u>\$ 125,459,628</u></b>

<b>Debt Ratios:</b>	
Direct Debt to Market Value	0.60%
Direct Debt to Assessed Valuation	0.60%
Direct Debt Per Capita (2010 U.S. Census)	\$ 258.23

<b>Direct and Overlapping Debt to:</b>	
Market Value	7.60%
Assessed Valuation	7.60%
Direct and Overlapping Debt Per Capita (2010 U.S. Census)	\$ 3,243.02

(1) Includes the principal amount of Bonds offered through this Official Statement.

**HISTORY OF TAX AND REVENUE ANTICIPATION NOTE FINANCING**

The following table reflects the recent trend of Tax and Revenue Anticipation Note financings undertaken by the County.

<u>Fiscal Year Ending December 31,</u>	<u>Principal Amount of Tax and Revenue Anticipation Note</u>
2009	\$ 4,900,000 (1)
2009	1,200,000 (2)
2010	3,500,000
2011	3,500,000
2012	2,000,000 (3)
2013	2,000,000 (4)
2014	2,000,000 (4)
2015	None
2016	4,000,000 (2)

- (1) Retired in full on September 15.
- (2) Issued to Human Services.
- (3) Line of credit for the County and Human Services.
- (4) Line of credit for the County and Human Services. Not used by either.

SOURCE: County Officials.

**SCHEDULE OF DEBT SERVICE OBLIGATIONS**

<b>Fiscal Year Ending Dec. 31,</b>	<b>Nonelectoral Debt</b>				
	<b>The Bonds</b>			<b>G.O. Bonds <sup>(1)</sup></b>	
	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Subtotal</u></b>	<b><u>Series of 2014</u></b>	<b><u>Total</u></b>
2016	\$ -	\$ 66,107	\$ 66,107	\$ 783,208	\$ 849,315
2017	5,000	122,019	127,019	790,670	917,689
2018	5,000	121,963	126,963	800,920	927,883
2019	85,000	121,081	206,081	790,870	996,951
2020	110,000	119,131	229,131	780,340	1,009,471
2021	380,000	114,231	494,231	521,180	1,015,411
2022	915,000	101,281	1,016,281	-	1,016,281
2023	930,000	82,831	1,012,831	-	1,012,831
2024	955,000	63,981	1,018,981	-	1,018,981
2025	970,000	43,519	1,013,519	-	1,013,519
2026	990,000	21,469	1,011,469	-	1,011,469
2027	435,000	5,166	440,166	-	440,166
Total....	<b>\$ 5,780,000</b>	<b>\$ 982,779</b>	<b>\$ 6,762,779</b>	<b>\$ 4,467,188</b>	<b>\$ 11,229,967</b>

(1) Includes principal and interest payments. Note: Totals may not add due to rounding.

## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES OF THE COUNTY**

### **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 Commissioners then develop the budget by mid-October using the departmental requests, new salary levels, and data concerning federal and state grants. After discussions with department heads, 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 Ordinance. 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 Bonds with the holders of the Bonds that it will: (1) include the amount of the debt service due on the Bonds 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 Bonds on the dates and at the places and in the manner stated in the Bonds, 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**

Maher Duessel, Pittsburgh, Pennsylvania, currently serves as the independent auditor for the County (the "Auditor"). 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. In the opinion of the Auditor, the accounting policies of the County conform to GAAP. Additionally, 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 GASB 34 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.

**SUMMARY STATEMENT - - GENERAL FUND**

	<u>For Fiscal Years Ending December 31,</u>			
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>Revenues:</b>				
Taxes	\$ 10,616,838	\$ 11,010,826	\$ 10,698,487	\$ 11,367,223
Licenses and Permits	22,144	31,887	39,924	27,271
Fines and Forfeits	190,231	170,822	145,303	165,914
Intergovernmental	1,497,161	989,203	843,387	1,702,374
Charges for Services	1,924,522	5,106,428	5,577,170	6,187,373
Interest	6,128	5,587	1,789	4,637
Rental Income	489,241	535,912	442,022	480,296
Donations	<u>76,436</u>	<u>76,199</u>	<u>60,074</u>	<u>92,899</u>
 Total Revenues	 <u>\$ 14,822,701</u>	 <u>\$ 17,926,864</u>	 <u>\$ 17,808,156</u>	 <u>\$ 20,027,987</u>
<b>Expenditures:</b>				
General Government - Administration	\$ 4,906,403	\$ 5,267,768	\$ 4,800,473	\$ 5,513,875
General Government - Judicial	3,178,829	3,162,897	3,357,239	3,492,414
Public Safety	3,464,765	3,681,632	3,789,426	3,752,170
Public Works	128,701	182,199	142,716	53,786
Culture and Recreation	1,418,217	1,486,265	1,456,941	1,631,692
Conservation and Economic Development	1,329,687	1,254,325	1,074,085	1,558,262
Debt Service	<u>66,227</u>	<u>76,083</u>	<u>79,154</u>	<u>82,349</u>
 Total Expenditures	 <u>\$ 14,492,829</u>	 <u>\$ 15,111,169</u>	 <u>\$ 14,700,034</u>	 <u>\$ 16,084,548</u>
 Excess of Revenues Over/(Under) Expenditures	 <u>\$ 329,872</u>	 <u>\$ 2,815,695</u>	 <u>\$ 3,108,122</u>	 <u>\$ 3,943,439</u>
<b>Other Financing Sources/(Uses)</b>				
Operating Transfers In	\$ 622,576	\$ 673,882	\$ 705,748	\$ 571,546
Other Sources from Sale of Assets/ Prior Period of Reimbursement	290,369	311,880	208,181	211,960
Operating Transfers Out	(807,698)	(3,504,876)	(3,297,564)	(4,303,432)
Other Uses	<u>(3,800)</u>	<u>(5,864)</u>	<u>(691)</u>	<u>-</u>
 Total Other Financing Sources/(Uses)	 <u>\$ 101,447</u>	 <u>\$ (2,524,978)</u>	 <u>\$ (2,384,326)</u>	 <u>\$ (3,519,926)</u>
 Excess/(Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	 <u>\$ 431,319</u>	 <u>\$ 290,717</u>	 <u>\$ 723,796</u>	 <u>\$ 423,513</u>
 Fund Balance (Deficit), January 1	 <u>2,905,506</u>	 <u>3,336,825</u>	 <u>3,627,542</u>	 <u>4,351,338</u>
 Fund Balance, December 31	 <u>\$ 3,336,825</u>	 <u>\$ 3,627,542</u>	 <u>\$ 4,351,338</u>	 <u>\$ 4,774,851</u>

SOURCE: Annual Financial Reports and County Administrative Officials.



**SUMMARY STATEMENT - - GENERAL FUND BUDGET**

**Budget - Fiscal Year Ending December 31, 2015**

<u>Revenue</u>		<u>Expenditures</u>	
Discount	\$ 10,356,778	Salaries & Wages	\$ 7,783,856
Face	587,355	Medical Coverage	1,592,640
Penalty	509,472	Afordable Care Act	600
Delinquent - Tax Claim	1,100,000	Workers Comp.	214,000
Discount- Contra	(1,051,484)	Unemployment Comp.	100,000
Face- Contra	(59,632)	Social Security Tax	480,677
Penalty- Contra	(51,725)	Medicare Tax	112,416
Delinquent - Tax Claim- Contra	(68,000)	Life Insurance	18,974
Licenses and Permits	27,425	Retirement	223,000
Charges for service	5,347,492	Heating Fuel/Natural Gas	118,200
Fines and Forfeitures	180,000	Electric	211,700
Buildings/Office Rents	274,320	Water	52,000
Royalties	134,000	Sewage	33,060
Interest Income-Checking	2,000	Garbage/Janitorial	22,475
Dividend Income	-	Rent Expense	81,800
Miscellaneous Income	500	Local Service	50,625
Payments in lieu of Taxes	39,000	Internet Access	23,224
Federal Grants-Operating	285,672	Postage	144,400
Tax Equalization Board	-	Advertising	24,060
State Grants- Operating	399,133	Liability Insurance	365,012
Local Grants	60,000	Dues & Subscriptions	76,894
Other Financing Sources	4,800	Printing and Reproduction	112,954
Other Financing Sources- Sale of Asset	-	Employee Dev - Conference Cost	134,150
Other Financing Sources - Prior Pd Reimb	114,562	Legal Services	420,175
Transfers In	<u>510,709</u>	Computer Services	172,415
Total Revenue	\$ <u>18,702,376</u>	Medical Services	125,000
		Other Professional Serv.	1,103,298
		Interest Expense	-
		Supplies	1,186,825
		Repairs & Maintenance	169,500
		Capital Outlay	60,335
		Local Grants	368,569
		Transfers Out	<u>3,485,614</u>
		Total Expenditures	\$ <u>19,068,448</u>

SOURCE: General Fund Budget Report for the fiscal year ending December 31, 2015.

**SUMMARY STATEMENT OF ASSETS,  
LIABILITIES, AND FUND EQUITY - - GENERAL FUND**

For Fiscal Years Ending December 31,

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>Assets:</b>					
Cash and Cash Equivalents	\$ 2,803,478	\$ 2,090,296	\$ 1,902,439	\$ 4,100,802	\$ 3,238,699
Due from Other Funds	1,853,957	2,538,682	2,391,966	3,144,714	2,378,356
Due from Other Governments	132,200	140,597	205,025	156,893	401,044
Taxes Receivable	1,318,143	1,349,877	1,381,871	1,448,404	1,347,944
Accounts Receivable	141,685	155,468	515,256	134,935	305,054
Other Assets	-	-	-	-	-
<b>Total Assets</b>	<u>\$ 6,249,463</u>	<u>\$ 6,274,920</u>	<u>\$ 6,396,557</u>	<u>\$ 8,985,748</u>	<u>\$ 7,671,097</u>
<b>Liabilities:</b>					
Accounts Payable	\$ 340,888	\$ 391,924	\$ 404,506	\$ 873,476	\$ 718,210
Accrued Liabilities and Withholdings	256,547	271,253	332,108	421,936	483,884
Due to Other Funds	538,569	655,633	297,672	1,151,791	352,426
Due to Other Governments	-	260	800	36	207
Unearned Revenue	-	-	1,733,929	908,069	193,219
Deferred Revenue	2,207,953	1,619,025	-	-	-
<b>Total Liabilities</b>	<u>\$ 3,343,957</u>	<u>\$ 2,938,095</u>	<u>\$ 2,769,015</u>	<u>\$ 3,355,308</u>	<u>\$ 1,747,946</u>
<b>Deferred Inflows of Resources:</b>					
Unavailable Revenues - Property Taxes	\$ -	\$ -	\$ -	\$ 1,279,102	\$ 1,148,300
<b>Fund Balances:</b>					
Restricted/Assigned Fund Balances	\$ 17,106	\$ 7,387	\$ 4,118	\$ 16,640	\$ 2,022
Committed Fund Balance	-	-	-	-	24,225
Unassigned Fund Balances (Deficit)	2,888,400	3,329,438	3,623,424	4,334,698	4,748,604
<b>Total Fund Balances (Deficit)</b>	<u>\$ 2,905,506</u>	<u>\$ 3,336,825</u>	<u>\$ 3,627,542</u>	<u>\$ 4,351,338</u>	<u>\$ 4,774,851</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 6,249,463</u>	<u>\$ 6,274,920</u>	<u>\$ 6,396,557</u>	<u>\$ 8,985,748</u>	<u>\$ 7,671,097</u>

SOURCE: Audited Financial Reports and County Administrative Officials.

## TAXES AND TAXING POWERS OF THE COUNTY

### General

As a sixth class county under the County Code of the Commonwealth of Pennsylvania, the County may levy the following taxes:

1. An annual tax on all taxable real estate, not to exceed 25 mills, for general county purposes;
2. Unlimited millage for debt service;
3. 4 mills on personal property;
4. 10 mills for lease rental payments to authorities;
5. Per Capita tax not to exceed \$5.00 per adult resident or an occupation tax not to exceed 20 mills of the assessed value of an occupation;
6. Unlimited millage for parks and playgrounds;
7. Unlimited mills for libraries;
8. 6 mills for roads and bridges;
9. 5 mills for community colleges;
10. Unlimited millage for memorial halls, tuberculosis hospitals and bridges; and
11. 3 mills hotel tax.

### History of Tax Rates

The following table depicts the tax rates levied by the County over the last several years.

<u>Year</u>	<u>Real Estate Millage Rate</u>
2009	6.420
2010	7.640
2011	7.535
2012	7.535
2013	7.535
2014	7.535
2015	7.535
2016	7.535

SOURCE: County Administrative Officials.

**Major Real Estate Taxpayers**

The ten largest taxpayers in the County and their current assessed valuation of real estate are as follows:

<u>Taxpayer</u>	<u>Description</u>	<u>Current Assessed Valuation</u>
Consolidation Coal Company	Coal Mining	\$ 179,472,004
Greene Hill Coal Company	Coal Reserves	71,994,080
Emerald Coal Company (1)	Coal Mining	41,614,480
Triple A Minerals	Coal Mining	64,007,010
Cumberland Coal Company (1)	Coal Mining	24,139,010
Conrhein Coal Company	Coal Mining	48,982,860
Pennsylvania Land Holdings (1)	Coal Mining	72,460,910
Foundation Coal Resources Corp. (1)	Coal Mining	16,958,440
Allegheny Energy	Energy Generation	123,368,540
Cumberland Resources (1)	Coal Mining	<u>48,759,670</u>
		<u>\$ 691,757,004</u>

The total assessed valuation of these ten largest taxpayers is equal to 40.07% of the current assessed valuation of taxable real estate in the County.

(1) Cumberland Coal Company, Cumberland Resources, Emerald Coal Company, Foundation Coal Resources Corp, and Pennsylvania Land Holdings are all wholly-owned subsidiaries of Alpha Natural Resources, Inc. (Alpha). Alpha filed for Chapter 11 Bankruptcy in Mid-2015 and Emerald Mine closed in the Fall of 2015. These events have not affected the assessed value of the mineral reserves or surface properties for 2016. Alpha and its subsidiaries have, to date, and are reasonably expected to pay in the future, its annual real estate taxes.

SOURCE: County Administrative Officials.

**Real Estate Tax Collection Procedures**

Real estate tax notices were 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.

**Real Estate Tax Collection Data**

<u>Item</u>	<u>Fiscal Years Ending December 31</u>				
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Assessed Valuation	\$ 1,497,512,859	\$ 1,613,216,337	\$ 1,573,407,146	\$ 1,539,505,046	\$ 1,596,744,372
Levy	11,440,998	11,560,973	12,020,831	11,600,171	12,031,469
Current Collections	10,552,516	10,689,726	11,137,419	10,722,615	11,227,359
Current & Delinquent Collections	11,602,516	11,869,903	12,307,769	11,798,122	12,551,865
% Current Collections	92.23%	92.46%	92.65%	92.43%	93.32%
% Total Collections	101.41%	102.67%	102.39%	101.71%	104.33%

**Average Collection Rates:**

Current	92.62%
Total	102.50%

SOURCE: County Administrative Officials.

**REAL PROPERTY VALUES TREND**

<u>Fiscal Year Ending December 31,</u>	<u>Assessed Valuation</u>	<u>Market Value</u>	<u>Ratio</u>
2009	\$ 1,543,541,090	\$ 1,543,541,090	100.00%
2010	1,497,512,959	1,497,512,959	100.00%
2011	1,513,216,337	1,513,216,337	100.00%
2012	1,573,407,146	1,573,407,146	100.00%
2013	1,539,505,046	1,539,505,046	100.00%
2014	1,596,744,372	1,596,744,372	100.00%
2015	1,651,250,118	1,651,250,118	100.00%
Percent of Change	6.98%	6.98%	---

SOURCE: County Administrative Officials.

**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 registered owners of the Bonds of the principal of, interest on, and premium, if any, on the Bonds 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 ownership of the Bonds. 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 Bonds.

The Paying Agent may now or in the future have banking relationships with the County that 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 Bonds. 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.

**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 Certificate (the "Disclosure Certificate") to be executed by the County on the date of settlement of the Bonds, agree to provide, or cause to be provided:

- (i) to the Municipal Security Rulemaking Board's ("MSRB") Electronic Municipal Market Access System ("EMMA"), certain annual information and operating data (collectively, the "Annual Information"), generally consistent with the information contained under the following captions contained herein:
  - **REAL PROPERTY VALUES TREND;**
  - **TAXES AND TAXING POWERS OF THE COUNTY -**
    - **History of Tax Rates;**
    - **Real Estate Tax Collection Data;** and
- (ii) the audited financial statements for each fiscal year, prepared in accordance with generally accepted accounting principles for local government units and audited in accordance with generally accepted auditing standards.

The annual information will be provided to the entity identified above within 275 days following the fiscal year ending the previous December 31;

- (iii) in a timely manner, not in excess of (10) business days after the occurrence of any of the following events, to the MSRB via EMMA, notice of the occurrence of any of the following events with respect to the Bonds, regardless of materiality:
  - (1) principal and interest payment delinquencies;
  - (2) unscheduled draws on debt service reserves reflecting financial difficulties;
  - (3) unscheduled draws on credit enhancements reflecting financial difficulties;
  - (4) substitution of credit or liquidity providers, or their failure to perform;

- (5) adverse tax opinions, the issuance by the Internal Revenue Services 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 Bonds, or other material events effecting the tax status of the Bonds;
  - (6) tender offers;
  - (7) defeasances;
  - (8) rating changes; and
  - (9) bankruptcy, insolvency, receivership or similar event of the obligated person.
- (iv) in a timely manner, not in excess of (10) business days after the occurrence of any of the following events, to the MSRB via EMMA, notice of the occurrence of any of the following events with respect to the Bonds, if such event is material:
- (1) non-payment related defaults;
  - (2) modifications or rights of Bond holders;
  - (3) bond calls;
  - (4) release, substitution, or sale of property securing repayment of the Bonds;
  - (5) 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, or other than pursuant to its terms;
  - (6) appointment of a successor or additional Paying Agent or the change of name of a Paying Agent.
- (v) in a timely manner, not in excess of ten (10) business days, to the MSRB via EMMA, 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 Disclosure Certificate.

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

Each Bondholder (including beneficial owners) may enforce the County's continuing disclosure undertaking; provided however, 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 Bonds.

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

The County has inadvertently missed the June 29 filing date for previous financial statements and operating data, and also neglected to provide notice of its failure to the MSRB. A "Failure to File" notice has been filed on December 5, 2015. The County also failed to file a rating change on November 27, 2015. That data was filed on December 5, 2015.

The County has previously entered into Continuing Disclosure undertakings with respect to certain previously issued bond issues that are currently outstanding. The County's filing history of its annual financial and operating information during the past five (5) years is outlined in the table below.

<b>Fiscal Year Ending</b>	<b>Filing Due Date</b>	<b>Audit Filed</b>	<b>Operating Data Filed</b>	<b>Failure to File</b>
December 31, 2010	June 29, 2011	October 11, 2011	December 5, 2015	December 5, 2015
December 31, 2011	June 29, 2012	September 27, 2012	December 5, 2015	September 25, 2013
December 31, 2012	June 29, 2013	September 25, 2013	December 5, 2015	September 25, 2013
December 31, 2013	June 29, 2014	August 28, 2014	November 5, 2013	July 1, 2014
December 31, 2014	September 27, 2015	June 30, 2015	June 30, 2014	N/A

An amendment to the previous Continuing Disclosure Certificate, dated September 22, 2011, was filed on January 8, 2014, amending the filing due date of "180" days to "275" days.

With regards to the Material Events listed in section (iii) under the Continuing Disclosure Undertaking section mentioned above, some of the County's bond issues that have been outstanding during the past five (5) years have been insured by various bond insurance companies that have received rating downgrades and upgrades by both S&P and Moody's. While this information was not filed by the County under a Material Events Notice, this information was otherwise publicly available from widely accepted information sources.

## **LEGAL MATTERS**

### **Legal Investments**

In the opinion of Bond Counsel, the Bonds are authorized investments for fiduciaries and personal representatives under the Pennsylvania Probate, Estates and Fiduciaries Code of the Commonwealth.

### **Negotiability of the Bonds**

Under the Act, the Bonds have all the qualities of negotiable instruments under the Uniform Commercial Code of the Commonwealth relating to negotiable instruments.

### **Regarding the Obligation for the Bonds**

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 of any of the Bonds.

### **Absence of Material Litigation**

There is no litigation of any nature pending or threatened against the County at the date of this Official Statement which, if decided adversely to the County, would have a material adverse effect on the financial condition of the County, or which seeks to restrain or enjoin the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any proceedings of the County taken with respect to the issuance or sale thereof, or the pledge or application of any moneys or the security provided for the payment of the Bonds, or the existence or powers of the County.

### **Legality**

All legal matters incident to the authorization, issuance and sale of the Bonds will be approved by Dinsmore & Shohl LLP, Pittsburgh, Pennsylvania, Bond Counsel. Certain additional matters, as requested by Bond Counsel, will be passed upon for the County by its Counsel, Cheryl C. Cowen, Esquire, Waynesburg, Pennsylvania, Solicitor to the County.

## **TAX MATTERS**

### **State Tax Matters**

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

The residence of a holder of a Bond 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 Bonds.

### **Federal Income Tax Matters**

In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, interest on the Bonds (including, in the case of Bonds sold at an original issue discount, the difference between the initial offering price and par) is excluded from gross income for Federal income tax purposes. Bond Counsel is also of the opinion that interest on the Bonds 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 individual or corporate alternative minimum taxes.

#### *Original Issue Discount*

The Bonds that mature on March 1 of the years 2023 through and including 2027 (collectively, the "Tax-Exempt Discount Bonds") are being offered and sold to the public at an original issue discount ("OID") from the amounts payable at their maturity. OID is the excess of the stated redemption price of a bond at maturity (par) over the price to the public at which a substantial amount of bonds of the same maturity are sold pursuant to the initial offering. Under the Code, OID on each

Tax-Exempt Discount Bond will accrue over its term and the amount of accretion will be based on the yield to maturity, compounded semi-annually. The amount of OID that accrues during each semi-annual period will do so ratably within that period on a daily basis. With respect to an initial purchaser of a Tax-Exempt Discount Bond at its initial offering price, the portion of OID that accrues during the period that such purchaser owns such Bond is added to the purchaser's tax basis for purposes of determining gain or loss at the maturity, redemption, sale, or other disposition of that Tax-Exempt Discount Bond and thus, in practical effect, is treated as stated interest, which is excludable from gross income for federal income tax purposes.

Holders of Tax-Exempt Discount Bonds should consult their own tax advisors as to the effect of OID with respect to their federal tax liability.

#### *Original Issue Premium*

The Bonds that mature on March 1 of the years 2019 through and including 2022 (the "Premium Bonds") are being offered and sold to the public at an original issue premium ("OIP"). Under the Code, OIP is an adjustment to basis and must be amortized. The method of amortization may be the method regularly employed by the taxpayer if such method is reasonable, or, in all other cases, must be the method prescribed by applicable Treasury Regulations, which provide that the amortizable bond premium is an amount which bears the same ratio to the OIP as the number of months in the taxable year during which the bond was held by the taxpayer bears to the number of months from the beginning of the taxable year (or, if the Premium Bond was acquired in the taxable year, from the date of acquisition) to the date of maturity. The basis of the Premium Bond is reduced by the amount of the amortizable bond premium. The amortized bond premium is treated as a reduction in the tax-exempt interest received on the Premium Bond. No deduction is allowed on account of OIP.

Holders of Premium Bonds should consult their own tax advisors as to the effect of such OIP with respect to their federal tax liability.

#### *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 is a qualified issuer and the County has either "deemed designated" or designated the Bonds as "qualified tax-exempt obligations" for the purposes and effect contemplated by Section 265 of the Code.

Financial institutions intending to purchase Bonds should consult their own tax advisors to determine the effect of the interest expense deduction on their federal tax liability.

#### *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 Bonds. 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 Bonds will not be includable in gross income for Federal income tax purposes. Failure to comply with these covenants could result in interest on the Bonds being includable in gross income for Federal income tax purposes and such inclusion could be required retroactively to the date of issuance of the Bonds. The opinion of Bond Counsel assumes compliance with the aforesaid covenants. Moreover, Bond 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 Bonds may adversely affect the tax-exempt status of the interest on the Bonds.

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 Bonds) 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 Bonds, which could result in gain or loss to the holder of a Bond, 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 Bonds 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 Bond Counsel has rendered an opinion that interest on the Bonds 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



Bonds may result in other collateral effects on a Bondholder'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 Bondholder or the Bondholder's other items of income or deduction. Bond Counsel expresses no opinions regarding any tax consequences other than what is set forth in its opinion; each Bondholder or potential Bondholder is urged to consult with its own tax advisors with respect to the effects of purchasing, holding or disposing of the Bonds on its tax liabilities.

For example, corporations are required to include all tax-exempt interest in determining "adjusted current earnings" under Section 56(c) of the Code, which may increase the amount of any alternative minimum tax owed. Other 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 Bonds 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, including some that carry retroactive effective dates, that, if, enacted, could alter or amend the federal tax matters described above or affect the market value of the Bonds. 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 Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond 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 includible 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 Bonds. If an audit is commenced, under current procedures, the Service may treat the County as a taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds 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 Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Bondholder who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or to any Bondholder 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 BONDS 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 BONDS OR RECEIVING INTEREST THEREON.**

#### **BOND RATING**

Standard & Poor's Ratings Services, New York, New York ("S&P") is expected to assign its credit rating of "AA" (stable outlook) to the Bonds, with the understanding that, upon delivery of the Bonds, a Municipal Bond Insurance Policy will be issued by Assured Guaranty Municipal Corp. S&P has assigned its underlying rating of "A+" to the Bonds. Such ratings reflect only the view of such organization. Any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following address: Standard & Poor's Ratings Services, 55 Water Street, 38<sup>th</sup> Floor, New York, NY 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 Bonds.

### **BOND UNDERWRITING**

The Bonds have been purchased by Janney Montgomery Scott LLC, as Underwriter. The Underwriter has agreed to purchase the Bonds at an aggregate purchase price of \$5,701,051.80 (which is equal to the principal amount of the Bonds less the bond discount in the amount of \$40,460.00 and less net original issue discount in the amount of \$38,488.20). The Bond Purchase Agreement for the Bonds provides that the Underwriter will purchase all the Bonds, if any are purchased, in accordance with the terms of the Bond 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 Bonds, set forth in the **BOND MATURITY SCHEDULE** 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 Bonds to the public; and said Bonds offered to other dealers may be at prices lower than those offered to the public.

### **MISCELLANEOUS MATTERS**

All summaries of the provisions of the Act, the Bonds, the Ordinance, the Disclosure Certificate, and other documents in this Official Statement 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, and C, 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 Bonds.

**COUNTY OF GREENE**  
(Commonwealth of Pennsylvania)

By:           /s/          Blair Zimmerman            
Blair Zimmerman  
Chairman, Board of County Commissioners