Moody's: Aaa
NEW ISSUE - SERIAL BONDS **Standard & Poor's: AAA**
Fitch: AAA
(See "Ratings" herein)

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the County with respect to the Bonds, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein,(i) interest on the Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations. In addition, in the opinion of Bond Counsel, under existing statutes, interest on the Bonds is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York and the City of Yonkers. See also "TAX MATTERS" herein.

$22,360,000
COUNTY OF WESTCHESTER, NEW YORK
GENERAL OBLIGATION REFUNDING BONDS - 2012 SERIES A
(THE "BONDS")

Dated: Date of Delivery **Due: October 15, as shown below**

The Bonds will be issued by the County of Westchester, New York (the "County") in fully registered form and when issued will be registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as Securities Depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of $5,000, or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. Principal and interest on the Bonds will be paid by the County to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds, as described herein.

Interest on the Bonds will be payable on October 15, 2012 and semi-annually thereafter on April 15 and October 15 until maturity or prior redemption. The Bonds maturing on or before October 15, 2022 are not subject to redemption prior to maturity. The Bonds maturing on or after October 15, 2023 will be subject to redemption prior to maturity, at the option of the County, as described herein.

AMOUNTS, MATURITIES, INTEREST RATES AND YIELDS

Year	Maturity Amount	Interest Rate	Yield	Year	Maturity Amount	Interest Rate	Yield
2012	$ 310,000	2.00%	0.15%	2024	$2,820,000	5.00%	1.93[1]%
2016	3,540,000	3.00	0.51	2025	2,835,000	5.00	2.00[1]
2021	2,755,000	4.00	1.55	2026	2,675,000	5.00	2.08[1]
2022	2,755,000	4.00	1.67	2027	1,820,000	5.00	2.16[1]
2023	2,850,000	5.00	1.83[1]				

[1] Priced to the optional redemption date of October 15, 2022. Please see "THE BONDS - Optional Redemption" herein.

Citigroup **M.R. Beal & Company**

FOR A DESCRIPTION OF THE COUNTY'S AGREEMENTS TO PROVIDE CONTINUING DISCLOSURE AS DESCRIBED IN SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12, SEE "DISCLOSURE UNDERTAKING FOR THE BONDS" HEREIN.

The Bonds are offered subject to the receipt of the final approving opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to the County with respect to the Bonds, and certain other conditions. Public Financial Management, Inc. serves as independent financial advisor to the County. Certain legal matters will be passed on for the Underwriters by their counsel, McKenna Long & Aldridge LLP, New York, New York. It is expected that delivery of the Bonds, in book-entry form only through the facilities of The Depository Trust Company, will be made on or about August 8, 2012 in New York, New York.

Dated: July 26, 2012

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WESTCHESTER COUNTY, NEW YORK

OFFICIAL ROSTER

County Executive

Robert P. Astorino

COUNTY BOARD OF LEGISLATORS

Kenneth W. Jenkins, *Board Chair*
Lyndon D. Williams, *Board Vice Chair*

Catherine Borgia
Gordon A. Burrows
David B. Gelfarb
Peter B. Harckham
Michael B. Kaplowitz
James Maisano
Sheila Marcotte
Judith A. Myers
Virginia Perez
William J. Ryan
MaryJane Shimsky
Michael J. Smith
Bernice Spreckman
John G. Testa
Alfreda Williams

APPOINTED OFFICIALS

Kevin J. Plunkett, *Deputy County Executive*
Ann Marie Berg, *Commissioner of Finance*
Robert F. Meehan, *County Attorney*
Lawrence C. Soule, *Budget Director*

SPECIAL SERVICES

BOND COUNSEL

Hawkins Delafield & Wood LLP
New York, New York

AUDITORS

O’Connor Davies LLP

FINANCIAL ADVISOR

Public Financial Management, Inc.
New York, New York

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

No dealer, broker, salesman or other person has been authorized by the County of Westchester, New York, or any officer thereof, to give any information or to make any representations, other than those contained in this Official Statement and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the County of Westchester, New York, from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in the Official Statement in accordance with, and as part of, their responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information. 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 the affairs of the County of Westchester, New York since the date hereof. The Underwriters may offer and sell Bonds to certain dealers and others at prices lower than the offering prices stated on the Cover Page hereof. The offering prices may be changed from time to time by the Underwriters. No representations are made or implied by the County as to any offering by the Underwriters.

This Official Statement contains forecasts, projections, and estimates that are based on current expectations but are not intended as representations of fact or guarantees of results. If and when included in this Official Statement, the words “expects,” “forecasts,” “projects,” “intends,” “anticipates,” “estimates,” and analogous expressions are intended to identify forward-looking statements as defined in the Securities Act of 1933, as amended, and any such statements inherently are subject to a variety of risks and uncertainties, which could cause actual results to differ materially from those contemplated in such forward-looking statements. These forward-looking statements speak only as of the date of this Official Statement. The County disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the County’s expectations with regard thereto or any change in events, conditions, or circumstances on which any such statement is based.

This Official Statement speaks only as of its date, and the information contained herein is subject to change without notice.

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DISCLOSURE UNDERTAKING FOR THE BONDS

At the time of the delivery of the Bonds, the County will provide an executed copy of its "Undertaking to Provide Continuing Disclosure" (the "Undertaking"). Said Undertaking will constitute a written agreement of the County for the benefit of registered owners and beneficial owners of the Bonds, to provide, or cause to be provided, to the Municipal Securities Rulemaking Board ("MSRB"), in an electronic format as prescribed by the MSRB, which, as of the date of the Undertaking, is the Electronic Municipal Market Access System ("EMMA"):

(1) Annual Information, which must be submitted no later than the 270th day following the end of each fiscal year, commencing with the fiscal year ending December 31, 2012, and shall contain (i) the information for the preceding fiscal year regarding the following categories of financial information and operating data of the County, in a form generally consistent with the information contained or cross-referenced in the County's final official statement relating to the Bonds under the headings: "COUNTY OF WESTCHESTER," "COUNTY INDEBTEDNESS," "FINANCIAL FACTORS," "BUDGETARY PROCESS," "FINANCIAL CONTROLS," "HOSPITAL GOVERNANCE/WESTCHESTER COUNTY HEALTH CARE CORPORATION," "FINANCIAL STATEMENTS AND ACCOUNTING PROCEDURES," "RESULTS OF OPERATIONS FOR THE GENERAL FUND FOR THE 2011 BUDGET YEAR AND THE BUDGET FOR 2012," "ADOPTED 2012 BUDGET," "EMPLOYEES," "MARKET FACTORS," and "LITIGATION;" and (ii) the financial statements of the County for the preceding fiscal year, accompanied by an audit report, prepared by an independent firm of certified public accountants in conformity with generally accepted auditing standards. If such audit report is not submitted as part of the Annual Information to the MSRB, the County shall provide to the MSRB, or shall cause to be provided to the MSRB, such audit report, together with the audited financial statements of the County to which such audit report relates, within 30 days after they are available to the County and in no event later than 360 days after the end of each fiscal year;

(2) timely notice, not in excess of ten (10) business days after occurrence, of the occurrence of any of the following events:

> (i) principal and interest payment delinquencies; (ii) non-payment related defaults, if material; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, 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 affecting the tax status of the Bonds; (vii) modifications to rights of Bondholders, if material; (viii) bond calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Bonds, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership, or similar event of the County; (xiii) 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 such actions, other than pursuant to its terms, if material; and (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.
>
> For purposes of the event identified in (xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the County in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the County, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the County.

The County may provide notice of the occurrence of certain other events, in addition to those listed above, if it determines that any such other event is material with respect to the Bonds, but the County does not undertake to commit to update such information or to provide any notice of the occurrence of any material event except those events listed above;

(3) in a timely manner, not in excess of ten (10) business days after occurrence, notice of a failure to provide the Annual Information by the dates specified; and

(4) prompt notice of any change in the fiscal year of the County.

The County's Undertaking shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Bonds shall have been paid in full or the Bonds shall have otherwise been paid or legally defeased or, in the event that those portions of Rule 15c2-12 (the "Rule") under the Securities Exchange Act of 1934, as amended, which require the Undertaking, no longer apply to the Bonds. The sole and exclusive remedy for breach under the Undertaking is an action to compel specific performance of the obligations of the County under the Undertaking, and no person or entity shall be entitled to recover monetary damages thereunder under any circumstances. Any failure by the County to comply with the Undertaking will not constitute a default with respect to the Bonds.

The County may amend or change the Undertaking under certain circumstances set forth therein; provided that any such amendment or change is made in connection with a change in circumstances that arises from a change in legal requirements; change in law; or change in the identity, nature, or status of the obligor on the Bonds, or type of business conducted by such obligor, and is supported by an opinion of counsel expert in federal securities laws to the effect that such amendment or change would not, in and of itself, cause the Undertaking to violate the Rule if such amendment or change had been effective on the date of the Undertaking but taking into account any subsequent change in or official interpretation of the Rule, as well as any change in circumstances.

The County is in compliance in all material respects with all prior disclosure undertakings.

OFFICIAL STATEMENT

of the

COUNTY OF WESTCHESTER, NEW YORK

This Official Statement, which includes the cover page, inside cover and appendices hereto, presents information relating to the County of Westchester, in the State of New York (the "County" and "State," respectively) and was prepared by the County in connection with the sale of its $22,360,000 General Obligation Refunding Bonds - 2012 Series A (the "Bonds").

All quotations from as well as summaries and explanations of provisions of the Constitution, laws of the State and acts and proceedings of the County contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof, and all references to the Bonds and the proceedings of the County relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and such proceedings.

THE BONDS

Purpose of the Refunding Issue

Proceeds of the Bonds will be used to refund portions of certain outstanding series of County bond issues as described hereinafter under "Refunding Financial Plan."

Nature of Obligation

The Bonds, when duly issued and paid for, will constitute a contract between the County and the holders thereof.

The Bonds will be general obligations of the County and will contain a pledge of the faith and credit of the County for the payment of the principal thereof and the interest thereon. For the payment of such principal and interest the County has power and statutory authorization to levy ad valorem taxes on all taxable real property within the County, subject to the limitations imposed by the Tax Levy Limit Law. See "FINANCIAL FACTORS - The Tax Levy Limit Law" herein.

Under the Constitution of the State, the County is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds, and the State is specifically precluded from restricting the power of the County to levy taxes on real property therefor. However, the Tax Levy Limit Law imposes a statutory limitation on the County's power to increase its annual tax levy. The amount of such increase is limited by the formulas set forth in the Tax Levy Limit Law. See "FINANCIAL FACTORS - The Tax Levy Limit Law" herein.

The Bonds are issued pursuant to applicable provisions of the Local Finance Law of the State of New York, the County Charter and certain acts and proceedings of the County Board of Legislators adopted on their respective dates and thereafter approved by the County Executive. (See "COUNTY INDEBTEDNESS" for additional information.)

Description of the Bonds

The Bonds are dated as of their date of issuance, and will mature in the principal amounts on October 15 in each of the years as shown on the front cover page hereof and will bear interest at the interest rates shown on the front cover page hereof. The Bonds will be issued in fully registered form and when issued will be registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as Securities Depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of $5,000, or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds.

Interest on the Bonds will be payable on October 15, 2012 and semi-annually thereafter on April 15 and October 15 in each year until maturity or prior redemption. Principal of and interest on the Bonds will be paid by the County to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds, as described herein. The Bonds may be transferred in the manner described on the Bonds and as referenced in certain proceedings of the County referred to therein.

Optional Redemption

The Bonds maturing on or before October 15, 2022 are not subject to redemption prior to maturity. The Bonds maturing on or after October 15, 2023 will be subject to redemption prior to maturity, at the option of the County, on any date on or after October 15, 2022, in whole or in part, and if in part in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), at the redemption price of 100% of the par amount of the Bonds to be redeemed, plus accrued interest to the date of redemption.

The County may select the maturities of the Bonds to be redeemed prior to maturity and the amount to be redeemed of each maturity selected, as the County shall determine to be in the best interest of the County at the time of such redemption. If less than all of the Bonds of any maturity are called for prior redemption, such Bonds will be selected for redemption, in accordance with DTC procedures, by lot. Notice of such call for redemption shall be given by mailing such notice to the registered owner not more than sixty (60) nor less than thirty (30) days prior to such date. Notice of redemption having been given as aforesaid, the Bonds so called for redemption shall, on the date of redemption set forth in such call for redemption, become due and payable, together with accrued interest to such redemption date, and interest shall cease to be paid thereon after such redemption date.

Refunding Financial Plan

The County Board of Legislators adopted refunding bond acts on December 14, 2009, Act No. 227-2009, and July 9, 2012, Act No. 2012-78 which authorized the refunding of a portion of the County's outstanding general obligation bonds. The refunded bonds are described in the table below and are hereinafter referred to as the "Refunded Bonds." For further information regarding the refunding of the Refunded Bonds, see "THE BONDS - Verification of Mathematical Computation" herein.

The County's refunding plan (the "Refunding Financial Plan") provides that a portion of the proceeds of the Bonds, after payment of underwriting and other costs related to the issuance of the Bonds, will be used to purchase non-callable Government Obligations which, together with cash, if any, will be placed in irrevocable trust funds (the "Escrow Funds") with Deutsche Bank Trust Company Americas, New York, New York (the "Escrow Holder"), pursuant to the terms of an escrow contract by and between the County and the Escrow Holder, dated August 8, 2012 (the "Escrow Contract"). The Government Obligations deposited in the Escrow Funds will mature in amounts, together with any cash so deposited, that will be sufficient to pay the principal of and interest on the Refunded Bonds on the dates of maturity or redemption dates. The owners of the Refunded Bonds will have a first lien on the Escrow Funds until such Refunded Bonds have been redeemed, whereupon the Escrow Contract shall terminate.

SCHEDULE OF REFUNDED BONDS

Series	Maturity	Coupon	Par Amount Refunded	Redemption Date	Redemption Price
2005 Series C	11/15/2023	4.250%	$ 200,000	11/15/2014	100%
	11/15/2024	4.250	185,000	11/15/2014	100
	11/15/2025	4.250	180,000	11/15/2014	100
2006 Series C	11/15/2016	3.750	3,585,000	11/15/2015	100
	11/15/2021	4.000	2,840,000	11/15/2015	100
	11/15/2022	4.000	910,000	11/15/2015	100
	11/15/2023	4.000	910,000	11/15/2015	100
	11/15/2024	4.000	875,000	11/15/2015	100
	11/15/2025	4.000	875,000	11/15/2015	100
	11/15/2026	4.000	875,000	11/15/2015	100
2007 Series A	11/15/2013	4.000	1,250,000		
	11/15/2014	4.000	305,000		
	11/15/2015	4.000	45,000		
	11/15/2017	4.000	75,000		
2007 Series B	11/15/2022	4.125	1,935,000	11/15/2014	100
	11/15/2023	4.250	1,835,000	11/15/2014	100
	11/15/2024	4.250	1,835,000	11/15/2014	100
	11/15/2025	4.250	1,835,000	11/15/2014	100
	11/15/2026	4.250	1,835,000	11/15/2014	100
	11/15/2027	4.375	1,835,000	11/15/2014	100
2009 Series A	1/15/2018[1]	4.000	75,000		
	1/15/2019[1]	4.000	80,000		
	1/15/2020[1]	4.000	85,000	1/15/2019	100
Total:			**$24,460,000**		

[1] Sinking fund installment of term bond due January 15, 2023.

Under the Refunding Financial Plan, the Refunded Bonds will continue to be general obligations of the County and will continue to be payable from County sources legally available. However, insomuch as the Government Obligations and cash held in the Escrow Funds will be sufficient to meet all required payments of principal of and interest on the Refunded Bonds, it is not anticipated that such County sources will be utilized.

Sources:	
Par Amount	$22,360,000.00
Net Original Issue Premium	5,137,407.50
Total	$27,497,407.50
Uses:	
Refunding Escrow Deposit	$27,185,591.32
Cost of Issuance	151,718.45
Underwriters' Discount	160,097.73
Total	$27,497,407.50

Verification of Mathematical Computations

Samuel Klein and Company, Certified Public Accountants, will verify from the information provided to them the mathematical accuracy as of the date of closing on the Refunding Bonds of (1) the computations contained in the provided schedules to determine that the anticipated receipts from the securities and cash deposits listed in the Underwriters' schedules, to be held in escrow, will be sufficient to pay, when due, the principal of and interest on the Refunded Bonds, and (2) the computations of yield on both the securities and the Bonds contained in the provided schedules used by Bond Counsel in its determination that the interest on the Bonds is exempt from tax. Samuel Klein and Company will express no opinion on the assumptions provided to them, nor as to the exemption from taxation of the interest on the Bonds.

BOOK ENTRY ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, New York will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, 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.

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

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

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

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

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

Payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County, 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 or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the County. Under such circumstances, in the event that a successor depository is not obtained, Bond 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, Bond 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.

THE COUNTY WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (II) THE PAYMENT BY DTC OR ANY PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF, OR PREMIUM, IF ANY, OR INTEREST ON THE BONDS; (III) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO BONDHOLDERS; OR (IV) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDOWNER.

COUNTY OF WESTCHESTER

There follows in this Official Statement a brief description of the County, together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and expenditures of the General and Special Revenue funds.

General Information

Westchester County, incorporated in 1683, is a suburban county located in the northern sector of the New York City metropolitan area. It is bordered on the south by New York City, on the east by the State of Connecticut and Long Island Sound, on the north by Putnam County and on the west by the Hudson River. The County had a 2011 Federal census estimated population of 955,899 and has an area of 450 square miles.

The County has a large and varied economic base containing many corporate headquarters, research facilities, manufacturing firms and well developed trade and service sectors. Approximately thirty-five percent of employed County residents commute to work outside the County, primarily to New York City.

Population Characteristics

The 2010 Federal census recorded that the County had experienced a 2.7% population increase since the 2000 census.

TABLE 1

Population (in thousands)

Year	Westchester	New York City	New York State	United States
1960	809	7,782	16,782	179,323
1970	894	7,895	18,237	203,212
1980	867	7,072	17,558	226,546
1990	875	7,323	17,990	248,710
2000	925	8,008	18,976	283,868
2010	950	8,175	19,378	308,746

Source: United States Department of Commerce, Bureau of the Census as of most recent adjustment.

The median age of the County's population in 2010 was 40.2, compared to the State's median of 38.0 and the national median of 37.2. The most recent Bureau of the Census estimate of the County's population in 2011 is 955,899.

The County's 48 municipalities vary greatly in population size. Four cities: Yonkers, New Rochelle, Mount Vernon and White Plains (the County seat), contain over 42% of Westchester's population. The southern portion of the County, with about 7,940 people per square mile, is almost 10 times more densely populated than the northern area, which has about 825 people per square mile. Within the metropolitan area, Westchester's overall population density in 2010 of 2,204 people per square mile is much lower than is that of the central parts of the region and much higher than that of the more outlying exurban areas. Westchester is approximately eight percent as densely populated as New York City (27,012 per square mile) and less than one-half as densely populated as Nassau County (4,704 per square mile). However, it is more densely populated than Rockland County (1,795 per square mile), Suffolk County (1,637 per square mile), Putnam County (432 per square mile) or Dutchess County (373 per square mile).

Personal Income

Total personal income of Westchester residents was $69.5 billion in 2010. The County's 2010 per capita personal income is among the highest in the nation. As reported by the U.S. Department of Commerce, Bureau of Economic Analysis, Westchester County's per capita personal income of $73,159 in 2010 placed it 8th among the 3,111 counties nationwide. Among the 62 counties of New York State, Westchester ranked second only to New York County (Manhattan). In addition, Westchester County's 2010 per capita personal income of $73,159 compared favorably to New York State and the U.S., which were $48,596 and $39,937, respectively.

Economy

From 1990 to the present, employment in the County has for the most part stabilized along with the County population. From 1990 through 2011 the County's rate of unemployment has been substantially lower than the State and national rates as shown in Table 2.

TABLE 2

Employment and Unemployment, 1990-2011
(Employment figures in thousands)

	Westchester[a]		New York State		United States	
	Employment	Unemployment Rate	Employment	Unemployment Rate	Employment	Unemployment Rate
1990	454.8	3.5%	8,340	5.3%	118,793	5.6%
1995	420.1	4.4	8,126	6.4	124,900	5.6
2002	449.4	4.6	8,721	6.2	136,485	5.8
2003	450.4	4.5	8,704	6.4	137,736	6.0
2004	457.3	4.5	8,816	5.8	139,252	5.5
2005	463.2	4.0	8,968	5.0	141,730	5.1
2006	469.0	3.9	9,092	4.6	144,427	4.6
2007	473.1	3.8	9,141	4.5	146,047	4.6
2008	472.2	4.8	9,153	5.4	145,362	5.8
2009	494.4	7.3	9,654	8.4	154,142	9.3
2010	475.6	7.2	8,762	8.6	153,889	9.6
2011	472.7	6.8	8,730	8.2	141,637	8.9

Sources: New York State Department of Labor and United States Labor Department, Bureau of Labor Statistics. Annual Averages.

[a] Statistical data represents employment of the County's residents employed either within the County or outside the County.

The composition of non-agricultural employment by major sector in the metropolitan statistical area that includes Westchester County generally parallels that of the State and nation, as indicated in Table 3.

TABLE 3

Percent of Non-Agricultural Employment
By Major Category 2010

	Westchester/ Rockland/Putnam*	New York State	United States**
Manufacturing	4.9%	5.5%	9.8%
Trade, Transportation and Utilities	18.7	17.4	19.2
Finance, Insurance and Real Estate	5.9	8.0	6.0
Services and Miscellaneous	48.6	48.1	42.8
Government	16.7	17.3	16.4
Construction and Mining	5.2	3.7	5.8

Sources: Derived from data provided by New York State Department of Labor and United States Department of Labor, Bureau of Labor Statistics.

*For purposes of these statistics, the New York State Department of Labor has combined these counties as a "Metropolitan Statistical Area."

**The information for the United States is dated 2008.

Table 4 summarizes wage and salary data for non-agricultural employment in Westchester/ Rockland/Putnam Counties in terms of number of positions.

TABLE 4

Wage and Salary Non-Agricultural Employment in Westchester/Rockland/Putnam Counties*
1990 – 2011
(Figures in thousands)

	Total Non-Agriculture	Manufac.	Trade, Transportation and Utilities	Finance, Insurance and Real Estate	Service	Government	Construction and Mining
1990	529.8	53.0	111.7	36.8	214.6	84.8	28.9
1995	500.0	41.1	103.3	33.0	217.4	83.8	21.4
2000	548.9	37.4	108.9	35.0	245.4	90.2	32.0
2002	552.4	34.4	107.6	33.8	250.7	93.5	32.4
2003	555.2	32.9	107.3	33.9	253.0	94.8	33.3
2004	563.7	32.5	108.6	35.8	258.2	95.3	33.3
2005	566.2	32.4	109.8	38.0	257.1	95.2	33.7
2006	569.5	31.9	110.2	37.5	259.6	94.9	35.4
2007	579.5	30.6	110.5	36.9	267.1	96.5	37.9
2008	579.9	30.0	108.7	36.0	270.0	97.8	37.4
2009	557.9	27.7	102.6	33.4	265.4	97.3	31.5
2010	554.8	26.4	103.0	32.6	268.4	95.7	28.8
2011	563.1	25.0	105.2	33.5	275.3	93.2	30.9

Source: New York State Department of Labor.

Annual Averages

* For purposes of these statistics, the New York State Department of Labor has combined these counties as a "Metropolitan Statistical Area."

Approximately 96 percent of the wage and salary jobs in the metropolitan statistical area that includes Westchester County in 2011 were with firms whose major activity was other than manufacturing. Non-Agriculture employment increased by approximately 8,000 jobs from the previous year. During the period 1990-2011, employment in the manufacturing sector declined approximately 50 percent. The sectors realizing the most significant gains were service, 28 percent and government, 10 percent.

There were a total of approximately 472,700 County residents employed in 2011. Approximately 28 percent of the County's professional, technical and managerial workers travel to work in New York City and are among the approximately 35 percent of County residents working outside the County.

Current overall commercial vacancy rates in the County are approximately 17%, but are seemingly stable in most parts and declining in some areas such as White Plains. As real estate prices have declined the County saw commitments by several of the area's largest employers to remain in Westchester – companies such as Pepsi Beverages, Heineken, Dannon, IBM and Atlas Air.

Smaller firms – such as Captain Lawrence Brewing, Amkai Solutions and Guggenheim Global Partners – are either expanding in the County (Captain Lawrence), or have moved to Westchester as part of their expansion plans. The biotech industry continues to strengthen in Westchester County with more than 8,000 employees. Recent expansion announcements include ContraFect, who has moved into their new space in Yonkers at iPark, Acorda Therapeutics (retaining 159 positions and creating 190 more), who is opening their new offices at Ardsley Science Park in July 2012 and BioMed Realty's purchase of the Ardsley Science Park campus (close to 500,000 sq. ft. of office and lab space).

Highlights of retail revitalization include Ridge Hill Shopping Center in Yonkers. Ridge Hill is a new, $685 million, mixed-use project, with several major retailers and national restaurant chains including Whole Foods, Dicks Sporting Goods, Lord & Taylor and the Cheesecake Factory, as well as one of the largest private medical groups in the region, WestMed. Approximately 4,000 new jobs have been generated from Ridge Hill Shopping

Center. Additionally, the Cross County Shopping Center undertook a $105 million renovation which added 220,000 square feet in new retail space and created approximately 500 jobs.

TABLE 5

Major Private Sector Employers in Westchester County (2011)

Firms	Business Activity	Full-time Employees
* + IBM Corporation	Computer products and research services	5,524
* Pepsico, Inc.	Soft drinks and snack foods	2,967
*++ Morgan Stanley	Financial Services	1,763
*++ Verizon Communications	Telecommunications and information products	1,668
* Consolidated Edison Company	Utility services	1,400
J.P. Morgan Chase	Commercial and retail banking	1,275
* MasterCard International	Financial services	1,203
New York Life Insurance Company	Financial products and services	936
*++ Siemens Healthcare Diagnostics, Inc.	Medical diagnostic equipment	711
* Liberty Lines	Bus transportation	699
A&P Food Stores	Retail grocery stores	683
*++ Swiss Re America	Property/casualty reinsurance, financial services	670
* POP Displays USA LLC	Manufacturing and production	581
Avon	Cosmetics	510

* Headquarters or major branch operations in Westchester.

\+ Information reported 2009.

++ Information reported 2010.

Compilation by: Westchester County Department of Finance, November 2011. Figures are as reported by firms.

Based on the latest available economic census provided by the U.S. Census Bureau, retail sales in the County increased 20.5% from $11.80 billion in 2002 to $14.21 billion in 2007. On a per capita basis, retail sales in the County in 2007 were $15,007, which represents an increase of 19.2% from the County's 2002 per capita retail sales of $12,589. This compares with 2007 per capita retail sales of $11,879 in the State and $12,990 nationally. In addition, when the more populous counties of New York City and of Long Island are excluded from consideration, the County ranks first in the State in total retail sales. The County's per household retail sales for 2007 of $41,961 compares favorably with the State's and nation's 2007 per household retail sales of $32,237 and $34,789, respectively.

Major department stores in the County include Bloomingdale's, Lord and Taylor, Macy's, Neiman Marcus, Nordstrom, Sears, Target, and Wal-Mart.

These developments in retail activity will continue to support the growth in construction-related employment, creating a significant number of permanent retail jobs and providing additional sales tax revenues to the County and its municipalities.

Transportation

The County has three commuter train lines providing service into Manhattan. Approximately three-quarters of the County's population live within a 40-minute ride of Grand Central Terminal. Freight service is provided on some rail lines. The Metropolitan Transportation Authority (MTA) has made investments in new rolling stock and improved station facilities for the County's three commuter lines and is implementing a program to expand parking facilities at various stations on all three lines.

The County is served by the New York State Thruway, three interstate highways (I-95, I-287, and I-684), and a network of scenic parkways dating back to the 1920s. The parkway system includes the Bronx River Parkway, Saw Mill River Parkway, Hutchinson River Parkway, Sprain Brook Parkway, Cross County Parkway and Taconic State Parkway.

At the present time, all parkways are owned and operated by the New York State Department of Transportation with the exception of the Bronx River Parkway, which is owned by the County. Maintenance and improvement of these roads is paid for by the State. The County Police patrol the Saw Mill, Hutchinson River and Cross County Parkways. The State reimburses the County for a portion of the costs.

The County is served by the Bee-Line Transit System which is administered by the County Department of Public Works and Transportation and several private bus companies. The County provides operating assistance to the companies under contract and obtains State and Federal aid for acquisition of new buses and other capital improvements in bus transportation. The Bee-Line Transit System operates over 900 route miles and carries over 30 million passengers annually.

The Westchester County Airport is owned by the County and is operated by a management company under contract. As of January 1, 2009, AFCO AvPorts Management, LLC took over as the new management company at the Airport, which was previously managed by Macquarie Aviation North America 2, Inc. The Airport is located close to the intersection of three interstate highways. The Airport provides direct commercial service to Atlanta; Charlotte; Chicago O'Hare; Detroit; Fort Lauderdale; Fort Myers; Nassau, Bahamas; Orlando; Philadelphia; Tampa; Washington D.C. Ronald Reagan; Washington Dulles; and West Palm Beach. The Airport also houses numerous corporate and privately owned aircraft.

Utility Services

Wastewater Services

The County, through its Department of Environmental Facilities, operates a wastewater collection and treatment system consisting of seven wastewater treatment plants, 42 pumping stations, and 194 miles of trunk sewers serving 13 County Sanitary Sewer Districts.

On December 9, 2008, the Westchester County Board of Legislators (the "Board") by Act No. 240-2008, authorized the County to enter into a new Order on Consent (the "2008 Consent Order") with the State of New York Department of Environmental Conservation ("NYSDEC"), which was fully executed on December 30, 2008. The 2008 Consent Order is in place of and in order to adjust the County's obligations under an existing Order on Consent, which was entered into on December 24, 2004 ("2004 Consent Order" and together with the 2008 Consent Order, the "Consent Orders"). The 2004 Consent Order was executed in settlement of the administrative claims of the NYSDEC relating to, among other things, the County's anticipated noncompliance with state and federally mandated nitrogen removal standards to be imposed in the State Pollutant Discharge Elimination System ("SPDES") permits for the four County-owned waste water treatment plants ("WWTPs") which discharge into the Long Island Sound ("LIS"), namely: (1) the New Rochelle WWTP; (2) the Mamaroneck Valley WWTP; (3) the Blind Brook WWTP; and (4) the Port Chester WWTP. The 2004 Consent Order was the result of a multi-year study of nitrogen-based pollution in the Long Island Sound, known as the Long Island Sound Study ("LISS") which began in 1985, and the subsequent agreement of the United States Environmental Protection Agency ("USEPA"), and the States of New York and Connecticut to impose mandatory nitrogen reductions on all municipal WWTPs which discharge into the Long Island Sound and require them to reduce nitrogen discharges. The 2008 Consent Order requires improvements be undertaken at only two of the four LIS WWTPs, namely the Mamaroneck Valley and New Rochelle WWTPs (the "BNR Project") to meet nitrogen discharge standards set forth in the NYSDEC-issued SPDES permits for all four Long Island Sound WWTPs, in the aggregate, by 2017. This substantially reduces the overall cost of compliance, because it is more efficient to reduce aggregate nitrogen discharges by making more comprehensive improvements at the two selected WWTPs than it would be to achieve the same reductions by making improvements at all four WWTPs. It further requires the equitable apportionment of all the costs associated with the BNR Project among the four (4) Long Island Sound Sanitary Sewer Districts ("SSDs"), namely: (1) the New Rochelle SSD; (2) the Mamaroneck Valley SSD; (3) the Blind Brook SSD; and (4) the Port Chester SSD, as the Board has determined that all of the properties in the four LIS SSDs are benefited thereby. This is anticipated to have a substantial financial impact on those SSDs. The 2008 Consent Order extends the date for compliance from 2014 to 2017.

The County has authorized approximately $413 million in Bond Acts in order to meet its obligations under the 2008 Consent Order. To date the County has issued $178.2 million.

Electrical Services

Except for its northeastern portion, the County receives electrical delivery service from Consolidated Edison of New York ("Con Edison"). The cost of electricity in the Con Edison service territory is the highest in the continental United States. These high power costs may accelerate the current trend in the County away from manufacturing production. Con Edison also supplies natural gas service to the County. The northeastern portion of the County receives its electric power from New York State Gas and Electric at rates substantially below those of Con Edison. Since the latter part of 1976, both the County and the majority of municipalities within the County have received their electricity from the Power Authority of the State of New York over Con Edison distribution lines. The New York State Public Service Commission embarked on a program whereby the current utilities would continue to operate, under a regulatory scheme, the distribution system for electricity, but the utilities have divested themselves of most of their generation facilities. The generation facilities have been acquired by independent operators, with the electricity generated at these and other facilities sold under market conditions. However, to date, the majority of residential customers continue to buy their electricity from the regulated utilities.

In 1982, the County created the County of Westchester Public Utility Service Agency (the "Agency") and authorized it to acquire lower cost electric power for resale to eligible customers located within territory previously served solely by Con Edison. On July 1, 1985, the Agency began service delivery to designated commercial customers in accordance with the terms of a Lease and Operating Agreement between the Agency and Con Edison. Under these arrangements, the Agency is able to deliver varying amounts of lower cost power through arrangements with the New York Power Authority over Con Edison's distribution lines. Currently, these lower cost power allocations cannot be increased so the County and the Agency are working to procure other lower cost power, including additional Business Incentive Rate power, for other companies in Westchester in order to stimulate economic development and to retain jobs in Westchester County.

Recharge New York ("RNY") is a statewide economic development power program for qualified businesses and not-for-profit corporations and was signed into law on April 14, 2011. The RNY program merges all existing NYPA Economic Development Programs into one program directly administered by NYPA. RNY provides benefits for businesses and non-profits including: a permanent and dedicated funding source for the low cost energy economic development programs; long term contracts for a term of up to seven years so that program participants can make appropriate business decisions to re-locate, remain, and/or expand; and the ability to add new program participants and provide additional allocations to existing program participants.

Water Services

The County receives most of its public water from the Croton, Delaware and Catskill aqueduct systems of The City of New York (the "City"). These systems are fed partly by approximately 177 square miles of watershed lands and reservoirs in the County and, in addition, receive water by aqueduct from the upstate Catskill and Delaware systems. The County operates two water districts, County Water Districts 1 and 3, and there are a variety of private and municipal reservoir and well systems which supply the remainder of public water needs.

Effective January 1, 2002, Water District Number 2, which had previously been operated by the County, was leased to Northern Westchester Joint Water Works pursuant to State legislation and an intermunicipal agreement. Under this agreement, the lessee makes lease payments to the County which cover the County's remaining annual debt service for prior capital projects at Water District Number 2.

In January, 1997, the County entered into the New York City Watershed Memorandum of Agreement (the "Watershed MOA") with the City, the State, the USEPA, Putnam County, the Coalition of Watershed Towns, the Catskill Watershed Corporation, certain municipal corporations located within the New York City Watershed and certain environmental organizations. The Watershed MOA provides for (i) a Land Acquisition Program pursuant to which the City will purchase land within the New York City Watershed, (ii) the promulgation of new Watershed Regulations, (iii) Watershed Protection and Partnership Programs pursuant to which the City will fund infrastructure and improvements within the New York City Watershed and has paid $38 million to the County to create a fund known as the East of Hudson Water Quality Investment Program Fund ("EOH WQIP Fund") to support the implementation of water quality investments in the East of Hudson Watershed to protect the City's drinking water supply, and (iv) the creation of the Watershed Protection and Partnership Council.

On May 6, 1997, the USEPA issued a 1997 Filtration Avoidance Determination for the Catskill and Delaware Water Supply Systems (the "1997 FAD"). The 1997 FAD remained in effect until April of 2002. In May of 2002, USEPA approved a new Filtration Avoidance Determination (the "2002 FAD") and, therein, determined that the City has an adequate long-term watershed protection program for its Catskill/Delaware water supply which meets the established standards for unfiltered water systems. The 2002 FAD established milestones for the City's construction of Ultraviolet (UV) Light Disinfection Facilities, to commence operation on August 31, 2009. In 2005, the City requested an extension of the construction schedule contained in the 2002 FAD. Pursuant thereto, the USEPA prepared the 2005 Draft Modification to the 2002 FAD which would extend the date for commencement of operation at the UV Facility until August 31, 2010. The USEPA released a new New York City Filtration Avoidance Determination ("2007 FAD") for the Catskill/Delaware Water Supply in July 2007. The 2007 FAD includes a schedule to construct the UV disinfection plant and have it operational by August of 2012.

The County is currently mandated by the New York State Department of Health ("NYSDOH") and by the USEPA, pursuant to the USEPA's Long Term 2 Enhanced Surface Water Treatment ("LT2") rule, and has begun the process to provide a specified level of treatment to water for County Water Districts 1 and 3. In order to comply in a timely manner with these requirements for a higher level of treatment, the County must make substantial improvements to its drinking water treatment and distribution systems over the next several years. After extensive investigation, the Department of Environmental Facilities currently estimates the cost of necessary improvements to the County water treatment and distribution systems to be approximately $100 million.

Stormwater Retrofit

Pursuant to the Watershed MOA, the EOH WQIP Fund monies may be distributed by the County to fund specified water quality improvement projects as enumerated therein and/or as the New York City Department of Environmental Protection ("NYCDEP") may authorize.

The County, on June 7, 2012, entered into an intermunicipal agreement with various Watershed municipalities pursuant to which $10 million (the "EOH Funds") in funds from the earnings on the EOH WQIP Fund, of which the County serves as custodian under the Watershed MOA, was provided to the East of Hudson Watershed Corporation ("EOH Corporation"), an independent locally-based and locally administered not-for-profit local development corporation, organized under Section 1411 of the NYS Not-For-Profit-Corporation Law. The municipalities formed the EOH Corporation for the purpose of administering, organizing, implementing and maintaining projects to achieve compliance with the stormwater retrofit requirements of NYSDEC Municipal Separate Storm Sewer Systems ("MS4") SPDES General Permit No. GP-0-10-002. The EOH Funds, with the approval of the County Board of Legislators and NYCDEP, were provided to the EOH Corporation, on behalf of the municipalities, to partially finance costs incurred in connection with implementation of the municipalities' NYSDEC approved regional stormwater retrofit plan for the Croton watershed.

Refuse Disposal

The County provides refuse disposal services to a substantial portion of the County through the County Refuse Disposal District Number 1 (the "District"). The District, in 1985, entered into a service agreement with the County of Westchester Industrial Development Agency, which entered into a solid waste disposal agreement with Westchester Resco Company, L.P., a Delaware limited partnership and Wheelabrator Technologies Inc., a Delaware corporation for the disposal and processing of solid waste at the Charles Point facility in the City of Peekskill, New York. The original service agreement expired on October 21, 2009.

In October 2009 the County, on behalf of the District, reached a new solid waste disposal agreement with Wheelabrator Westchester, L.P. Under the new agreement, the District is obligated to bring all municipal solid waste collected under intermunicipal agreements with participating municipalities ("IMAs") to the Charles Point Facility. The District is not obligated to supply a minimum tonnage of solid waste and the agreement allows the District to divert up to 50,000 tons annually to explore new waste disposal technologies. The agreement has a term of ten years and includes an initial five-year option at the County's discretion, followed by two additional five-year options by mutual consent. The County has executed IMAs with participating municipalities that run concurrent with the solid waste disposal agreement.

Recreational and Cultural Facilities

The nationally accredited Westchester County Department of Parks, Recreation and Conservation operates and is the caretaker of 50 parks and facilities spanning nearly 18,000 acres of publicly-owned parkland throughout the County.

Westchester County Parks includes six golf courses, four swimming pools, three beaches, six nature preserves and various historic sites. County Parks also operates a number of flagship parks, e.g.: Lasdon Park Arboretum and Veterans Memorial, Camp Morty at Mountain Lakes Park; Muscoot Farm, the Westchester County Center (a public assembly and entertainment facility), the Bronx River Parkway Reservation, the North and South County Trailways, Playland Amusement Park and Ice Casino which is designated as a National Historic Landmark, Kensico Dam Plaza, known as the County's "Central Park," and the newly renovated Tibbetts Brook Park Bathhouse. In August 2010, the County issued a Request for Proposals "Reinventing Playland Park for the 21st Century". Twelve proposals were submitted and are currently being reviewed by the County.

State and local agencies provide an additional 17,000 acres of parkland and preserves for public use. There are also a considerable number of landmarks and historic sites throughout the County dating back to the 17th century reflecting the rich architecture and historic heritage of the area. The County houses an array of colleges and universities, theaters, museums, private golf courses, yacht clubs, marinas, country clubs, riding clubs, and skating rinks which provide a wide range of educational, cultural and recreational opportunities.

Governmental Organization

Subject to the State Constitution, the County operates pursuant to the County Charter (the "Charter") and Administrative Code and in accordance with other laws governing the County generally to the extent that such laws are applicable to counties operating under a charter form of government. The Charter in its present form was originally enacted into law by the State Legislature after its approval by the electors of the County at a general election held in November 1937. The Administrative Code was enacted into State law in 1948.

County Board of Legislators. The legislative power of the County is vested in the County Board of Legislators (the "Board") which in its present form has been in existence since January 1, 1970. Its 17 members are elected for two-year terms by the voters in their respective legislative districts. Vacancies occurring on the Board are to be filled at a special election in the legislative district of the vacated office. However, if a vacancy occurs within seven (7) months prior to the regular expiration of such term of office, the vacancy may be filled for the remainder of the unexpired term by an appointment of the majority of the remaining members of the Board. Both the number of members and boundaries of legislative districts may be varied from time to time in accordance with requirements of the Federal and State Constitution or by Charter amendment. Since 1974 the Board has retained the services of O'Connor Davies LLP to review and report projections of revenues and expenditures as contained in proposed budgets. This firm or its predecessors has been the independent certified public accountants of the County since 1966.

The County Executive. The County Executive is elected every four years in the year following the presidential election. He must be a resident of the County for at least five years prior to his election, is required to devote his full time to the duties of his office and may hold no other public office. Subject to certain exceptions hereafter described, no act of the Board can take effect unless approved by the County Executive. If any act is not returned to the County Board by the County Executive with his written reason for not approving it within ten days of its presentation to him, it is deemed approved; further any act disapproved by the County Executive nevertheless becomes effective if upon reconsideration it is passed by at least two-thirds vote of all the members of the Board. Pursuant to the Charter, there are several departments of the County established, including the Department of the Budget, responsible for preparation of the budget for submission to the County Executive, and such other duties in regard thereto as the County Executive may direct. Also pursuant to the Charter, the Department of Finance is charged with the administration of the financial affairs of the County, including collection of all taxes and other revenues due to the County, the custody and safekeeping of all funds belonging to the County and the disbursement of all County funds including the keeping and supervision of all accounts.

In 2009, the residents of Westchester County elected a new County Executive, Robert P. Astorino, who was sworn into office on January 1, 2010.

Chief Fiscal Officer. The Commissioner of Finance is appointed by and serves at the pleasure of the County Executive and is confirmed by the Board. By the Charter, the Commissioner of Finance is responsible for the administration of the financial affairs of the County, including the management of $1.68 billion in general County funds, collection of all taxes, assessments, license fees and other revenues due the County; custody and safekeeping of all funds belonging to or by law deposited with, distributed to or handled by the County; the disbursement of County funds; the keeping and supervision of all accounts; the supervision of such similar functions of local units of government as may be transferred or entrusted to the County; and such other duties as may be prescribed by law, by the County Executive or the Board.

In addition, since 1961 the Charter has required that all financial dealings, transactions and records of the County shall be subject annually to a complete independent audit. The auditors' report is required to be filed with the Board and is open to public inspection.

Ann Marie Berg is Commissioner of Finance for the County. The Commissioner is responsible for the administration of the Finance Department and the financial reporting for the County. Prior to her appointment as Commissioner of Finance in January of 2010, Ms. Berg had served as Comptroller for the Town of Eastchester since 1997. She was Comptroller for the Town of Mount Pleasant from 1992-1997 and Deputy Comptroller from 1985-1992. She served as President of the Government Finance Officers Association (GFOA) from 2005 to 2006 and served as a GFOA Board Member 1999-2009. Ms. Berg has also served as a past Treasurer of Westchester Municipal Clerks and Finance Officers. She holds a Bachelor's degree in business administration as well as two Masters degrees, one in Educational Administration and the other in Public Administration.

COUNTY INDEBTEDNESS

Nature of County Indebtedness and Procedure for Authorization

Constitutional Requirements

The New York State Constitution limits the power of the County (and other municipalities and school districts of the State) to issue obligations and to contract indebtedness. Such constitutional limitations include the following, in summary form, and are generally applicable to the Bonds:

Purpose and Pledge. The County shall not give or loan any money or property to or in aid of any individual, or private corporation or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation, with the exception of the Westchester County Health Care Corporation ("WCHCC"). (See "HOSPITAL GOVERNANCE/WESTCHESTER COUNTY HEALTH CARE CORPORATION" herein.)

The County may contract indebtedness only for County purposes or for WCHCC and shall pledge its faith and credit for the payment of principal of and interest thereon.

Payment and Maturity. The County is authorized by the State Constitution to contract debt for objects or purposes which the State Legislature has determined to have a "period of probable usefulness" and the maximum maturity of such debt may not exceed the period of probable usefulness of the object or purpose or, in the alternative, the weighted average period of probable usefulness of the several objects or purpose for which it is contracted. Bonds must mature in annual installments and may be issued to finance any object or purpose for which a "period of probable usefulness" has been determined by the State Legislature. No annual installment of a serial bond may be more than 50% in excess of the smallest prior installment unless the Board provides for substantially level or declining debt service payments in the manner prescribed by the State Legislature. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness is required to be paid in annual installments commencing no later than two years after the date such indebtedness has been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose determined by statute.

Debt Limit. The County has the power to contract indebtedness for any lawful County purpose so long as the principal amount thereof shall not exceed seven per centum of the five year average full valuation of taxable real estate of the County and subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash or appropriations for current debt service. The constitutional method for determining average full valuation is calculated by taking the assessed valuations of taxable real estate for the last five completed assessment rolls and applying thereto the ratio which such assessed valuation bears to the full valuation; full valuation is determined by the New York State Office of Real Property Services or such other State agency or officer as the State Legislature shall direct. The Legislature also is required to prescribe the manner by which such ratio shall be determined by such authority.

The following table sets forth the debt limit of the County and its debt contracting margin under such constitutional standard, without giving effect to the refunding of the Refunded Bonds by the Bonds.

TABLE 6

Summary of Constitutional Debt Statement Prepared as of July 16, 2012

Five year average full valuation of taxable real property	$177,338,750,092
Debt limit (7% thereof)	12,413,712,506
Outstanding indebtedness:	
Bonds	991,275,598[a]
NYSEFC Bond Anticipation Notes	64,198,000[b][c]
Less Exclusions:	
Current year Debt Service Appropriation (principal only)	
General Fund and Special Revenue Fund Airport	64,491,201
District Funds	21,548,067
Certain Sewer District Debt	302,741,131
Water District Debt	9,775,036
Total Exclusions	398,555,435
Total Net Indebtedness	$656,918,163
Net Debt — contracting margin	$11,756,794,343
Percentage of Debt Contracting Power Exhausted as of 7/16/12	5.29%

(a) See Table 7 for previously refunded debt, which is excluded from the above table.
(b) Non-interest bearing notes ($55,000,000) sold to the New York State Environmental Facilities Corporation ("NYSEFC") on September 2, 2010. Market rate notes ($9,198,000) were sold on February 24, 2011.
(c) The County is closing on two Bond Anticipation Notes with the NYSEFC on July 19, 2012. The notes total $80,000,000. Of these notes, $40,000,000 is interest free and $40,000,000 bears interest at the rate of 0.45%. These notes are not included in the above schedule.

There is no constitutional limitation on the amount that may be raised by the County by tax on real estate in any fiscal year to pay interest and principal on all indebtedness. However, the Tax Levy Limit Law imposes a statutory limit on the amount of taxes the County may levy. See "FINANCIAL FACTORS - The Tax Levy Limit Law" herein.

In prior years, the County has advance refunded various County bonds by placing the proceeds of the refunding bonds in irrevocable trusts to provide for all future debt service payments. These bonds continue to be general obligations of the County. However, inasmuch as moneys held in an escrow fund will be sufficient to meet all debt service requirements for such bonds, it is not anticipated that any other source of payment will be required.

TABLE 7

Previously Refunded and Escrowed Bonded Debt as of July 16, 2012

	Principal	Interest	Total
2012	$23,047,539.78	$2,025,989.49	$ 25,073,529.27
2013	31,110,054.23	2,627,502.53	33,737,556.76
2014	24,102,723.87	1,929,079.12	26,031,802.99
2015	12,823,000.00	855,972.50	13,678,972.50
2016	3,000.00	343,032.50	346,032.50
2017	8,572,000.00	342,892.50	8,914,892.50
	$99,658,317.88	$8,124,468.64	$107,782,786.52

General. The County is further subject to constitutional limitation by the general constitutionally imposed duty on the State Legislature to restrict the power of taxation, assessment, borrowing money, contracting indebtedness and loaning the credit of the County so as to prevent abuses in taxation and assessments and in contracting indebtedness; however, as has been noted under "THE BONDS - Nature of Obligation," the State Legislature is prohibited by a specific constitutional provision from restricting the power of the County to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. However, the Tax Levy Limit Law imposes a statutory limit on the power of the County to increase its annual tax levy. See "FINANCIAL FACTORS - The Tax Levy Limit Law" herein.

Statutory Procedure

In general, the State Legislature has authorized the power and procedure for the County to borrow and incur indebtedness by the enactment of the Local Finance Law, subject to the constitutional provisions set forth above. The power to spend money, however, generally derives from other law, including County Law and General Municipal Law of New York State and the County Charter.

In contrast to all other counties in the State, the County is required by the Local Finance Law to submit a bond act adopted by the Board authorizing bonds in excess of $10,000,000 to finance any capital improvement to a mandatory referendum of County voters. Approval by a majority of votes cast is necessary before such bond act is effective. Exceptions to this requirement include bond acts for certain sewage, solid waste and hospital facilities. Although there is no present proposal being considered by the County for other exceptions to, or for the repeal of this referendum requirement, no assurance can be given that such exceptions or repeal will not be enacted by the State Legislature.

The Local Finance Law also provides that where a bond act is published with a statutory form of notice, the validity of the bonds authorized thereby, including bond anticipation notes issued in anticipation of the sale thereof, may be contested only if:

1. such obligations are authorized for a purpose for which the County is not authorized to expend money; or

2. there has not been substantial compliance with the provisions of law which should have been complied with in the authorization of such obligations; and

an action contesting such validity is commenced within twenty days after the date of such publication; or

3. such obligations are authorized in violation of the provisions of the Constitution.

The Board, as the finance board of the County, has the power to enact bond acts and acts authorizing bond anticipation notes to be issued in anticipation of the bonds authorized by such bond acts. In addition, in that capacity, the Board has the power to authorize the issuance of bonds and notes, including the Bonds. However, the Board may delegate, and has delegated, its powers in relation to the sale and issuance of the Bonds to the Commissioner of Finance, the chief fiscal officer of the County under its Charter.

The Local Finance Law also contains provisions providing the County with power to issue general obligation revenue and tax anticipation notes and general obligation budget and capital notes (see "COUNTY INDEBTEDNESS - Temporary Borrowing").

Remedies Upon Default

Under current law, provision is made for contract creditors of the County to enforce payments upon such contracts, if necessary, through court action; although the present statute limits interest on the amount adjudged due to creditors to nine per centum per annum from the date due to the date of payment. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of current funds or the proceeds of a tax levy.

The Constitution of the State requires that every county, city, town, village, and school district in the State provide annually by appropriation for payment of all interest and principal on its serial bonds and certain other obligations, and that, if at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any such obligations.

The State has consented that any municipality in the State (including the County) may file a petition with any United States District Court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness. Subject to such State consent, under the United States Constitution, Congress has jurisdiction over such matters and has enacted amendments to the existing federal bankruptcy statute, generally to the effect and with the purpose of affording municipal corporations, under certain circumstances, with easier access to judicially approved adjustment of debts including judicial control over identifiable and unidentifiable creditors.

In recent times, certain events and legislation affecting remedies on default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of bondholders, such courts might hold that future events including financial crises as they may occur in the State and in municipalities of the State require the exercise by the State of its emergency and police powers to assure the continuation of essential public services.

No principal or interest payment on County indebtedness is past due. The County has never defaulted in the payment of the principal of or interest on any indebtedness.

Outstanding County Debt

The following table shows all general obligation bonds and notes indebtedness for the payment of the principal and interest on which the County has pledged its faith and credit.

TABLE 8

County Long-Term Bond Indebtedness [(a)]
Principal Amount Outstanding as of July 16, 2012

Parks and Parkways	$111,351,610.09
Roads and Bridges	82,113,398.67
Airport	9,231,018.22
Courthouse	310,265.53
Correctional Facilities	54,821,080.65
Community College	35,995,780.17
WCHCC	17,853,018.88
Transportation	9,113,015.09
Laboratories and Research	11,309,355.23
Other Buildings and Miscellaneous	286,166,665.54
Refuse Disposal District	17,861,155.35[(b)]
Water District 1	1,090,723.04[(b)]
Water District 2	741,764.03[(b)]
Water District 3	7,942,549.09[(b)]
Sewer Districts	345,374,197.94[(b)]
Total Net Indebtedness	$991,275,597.52[(c)]
Deduct District debt	(373,010,389.45)
Net Long-Term debt	$618,265,208.07

[(a)] See Table 7 for previously refunded debt, which is excluded from the above table.

[(b)] Debt service and operating costs of sewer, water and refuse disposal districts, established pursuant to law, primarily funded by a special annual ad valorem tax or assessment for each district as well as by fees or charges. (See “Financial Factors - Assessed and Full Valuation, County Tax Levy and Rates” herein.)

[(c)] Does not include $64,198,000 of Bond Anticipation Notes sold to the New York State Environmental Facilities Corporation. The County is closing on two Bond Anticipation Notes with the New York State Environmental Facilities Corporation on July 19, 2012. The notes total $80,000,000. Of these notes, $40,000,000 is interest free and $40,000,000 bears interest at the rate of 0.45%. These notes are not included in the above schedule.

In addition to the foregoing debt, the County has contractual obligations pursuant to which it is indirectly responsible for the payment of debt such as with the solid waste service fees paid to Wheelabrator (see “WESTCHESTER COUNTY - Utility Services -- *Refuse Disposal*” herein) and the courthouse project (see “COUNTY INDEBTEDNESS - Summary of Significant Contingencies and Commitments” herein).

Debt Ratios

The following table sets forth certain ratios relating to the County's gross and net direct general obligation indebtedness without giving effect to the refunding of the Refunded Bonds or the Bonds.

TABLE 9

Debt Ratios as of July 16, 2012

	Amount [a]	Per Capita [b]	Estimated Percentage Full Value [c]
Gross Long-Term Bond Debt	$991,275,597.52	$1,037	0.64%
Net Long-Term Bond Debt	618,265,208.07	$647	0.40%

(a) See Table 7 for previously refunded debt, which is excluded from the above table.

(b) Westchester County's 2011 estimated population was 955,899, according to the U.S. Bureau of the Census.

(c) The estimated full value of taxable real estate in the County for 2012 was computed by use of the Westchester County Tax Commission rates. See Table 18 herein.

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Debt Service Schedule

The following schedule sets forth all principal and interest payments presently required on all outstanding long-term bond indebtedness of the County, without giving effect to the refunding of the Refunded Bonds or the Bonds.

TABLE 10

Summary of Principal and Interest on County Long-Term Bond Indebtedness
As of July 16, 2012

	Principal [(a)]	Interest [(a)(b)]	Total
2012	$ 54,591,708.62	$ 13,564,788.88	$ 68,156,497.50
2013	88,622,649.56	36,226,270.08	124,848,919.64
2014	86,601,255.51	33,300,456.19	119,901,711.70
2015	82,854,979.04	29,866,691.58	112,721,670.62
2016	81,829,985.96	26,907,097.64	108,737,083.60
2017	72,555,004.06	23,986,619.25	96,541,623.31
2018	68,300,011.98	21,101,447.72	89,401,459.70
2019	62,970,002.96	18,192,830.95	81,162,833.91
2020	58,189,997.98	15,543,302.00	73,733,299.98
2021	57,420,005.97	13,303,382.06	70,723,388.03
2022	52,974,995.98	11,046,293.45	64,021,289.43
2023	40,049,999.90	9,268,904.75	49,318,904.65
2024	26,410,000.00	7,837,573.43	34,247,573.43
2025	16,205,000.00	6,963,613.50	23,168,613.50
2026	16,030,000.00	6,289,802.61	22,319,802.61
2027	15,215,000.00	5,610,558.65	20,825,558.65
2028	12,555,000.00	4,950,107.56	17,505,107.56
2029	12,615,000.00	4,397,882.43	17,012,882.43
2030	12,010,000.00	3,849,767.63	15,859,767.63
2031	12,090,000.00	3,316,264.28	15,406,264.28
2032	10,135,000.00	2,777,928.78	12,912,928.78
2033	10,130,000.00	2,303,677.83	12,433,677.83
2034	7,410,000.00	1,858,268.98	9,268,268.98
2035	6,410,000.00	1,510,041.33	7,920,041.33
2036	6,405,000.00	1,194,791.58	7,599,791.58
2037	6,245,000.00	883,379.70	7,128,379.70
2038	5,695,000.00	591,759.00	6,286,759.00
2039	4,890,000.00	333,548.50	5,223,548.50
2040	3,865,000.00	95,947.70	3,960,947.70
Total	$991,275,597.52	$307,072,998.04	$1,298,348,595.56

[(a)] Excludes Bond Anticipation Notes of $64,198,000 sold to the New York State Environmental Facilities Corporation ($55,000,000 of these notes were issued at no interest and $9,198,000 of these notes were issued at market rate). The County is closing on two Bond Anticipation Notes with the New York State Environmental Facilities Corporation on July 19, 2012. The notes total $80,000,000. Of these notes, $40,000,000 is interest free and $40,000,000 bears interest at the rate of 0.45%. These notes are also not included in the above schedule.

[(b)] Interest does not reflect any applicable subsidies for NYSEFC debt and Build America Bonds.

Trend of Outstanding Long-Term County Indebtedness

The following schedule sets forth the total long-term bond and note indebtedness outstanding at the end of each of the last ten fiscal years:

TABLE 11

Outstanding Long-Term County Indebtedness[(a)]
As of December 31

Fiscal Year	Amount	Fiscal Year	Amount
2002	$614,293,956	2007	$ 745,084,090 [(b)]
2003	641,470,868 [(b)]	2008	672,078,835 [(b)]
2004	691,603,313 [(b)]	2009	705,298,834 [(b)]
2005	697,728,403 [(b)]	2010	829,750,770 [(b)(c)]
2006	699,749,776 [(b)]	2011	1,023,060,598 [(b)]

(a) See Table 7 for previously refunded debt.

(b) Excludes short-term notes sold to the New York State Environmental Facilities Corporation.

(c) Excludes $100,000,000 Bond Anticipation Note.

Summary of Significant Contingencies and Commitments

The County financed $133,007,717 over 25 years through the Dormitory Authority of the State of New York (the “Authority”) in connection with the implementation of the County’s Court Facilities Capital Plan for the Westchester County Courthouse rehabilitation and facade replacement, and construction of a three-story courthouse annex (the “Project”). In December 1998, the County conveyed to the Authority title to the Courthouse property, including buildings and improvements thereon or to be erected thereon. The parties entered into a Lease and Agreement (the “Lease”) by which the Authority leases the property back to the County. When the Lease term has expired and all of the bonds have been paid in full, the Authority will convey back to the County all of the property and the improvements thereon. The County financed $21 million of new money bonds by the Authority to complete the County’s Courthouse. Through the Authority, the County also refunded a portion of the outstanding 1998 Authority bonds issued as described above. The refunding produced an average annual savings of approximately $268,000 in 2007 through 2018, inclusive. That financing of $21 million increased County lease payments by approximately $1,625,000 in each of the years 2006 through 2023, inclusive. The 2012 adjusted lease payment is $12,110,114. The County has the option to make prepayments toward the Basic Rent, to be used for the purchase or redemption of the Project bonds. The Authority’s bonds are not general obligations of the County.

Additional and Future Issuance of General Obligation Indebtedness

The County is closing on two Bond Anticipation Notes with the New York State Environmental Facilities Corporation on July 19, 2012. The notes total $80,000,000. Of these notes, $40,000,000 is interest free and $40,000,000 bears interest at the rate of 0.45%. The County also anticipates issuing $80-100 million of Long Term “New Money” bonds in October 2012 for capital program projects.

The County Charter establishes a capital program procedure to provide the County with five-year projections of capital projects and estimates of expenditures required. These expenditures are financed from current annual appropriations, the proceeds of bonds and notes and other sources, such as Federal and State funds. Bond issuance authority is generally subject to the referendum requirement for bond acts authorizing bonds in excess of $10,000,000 for any capital improvement. See “COUNTY INDEBTEDNESS - Statutory Procedure” herein.

A Capital Projects Committee, composed of the County Executive as Chairman, the Budget Director and other designated heads of Executive Departments, the Chairman of the Board and the Chairman of its Budget and Appropriations Committee, meet to prepare the proposed capital plan for the ensuing five years. They are required to consider the feasibility of all proposed capital projects in reference to their necessity, priority, location, costs and method of financing, and the plan is required to be printed with the County budget.

The County is required by its Charter to adopt a capital budget annually. Each capital project which is either contemplated or commenced is reflected in either the capital plan or the capital budget. Whenever the County determines to finance the costs of a capital project by borrowing, it adopts acts authorizing bonds and bond anticipation notes. Notwithstanding the inclusion of a capital project in the capital plan or budget or in a bond act, the County may at any time eliminate or terminate such project, subject to any contract liabilities theretofore incurred.

In general, the County has provided for capital projects in accordance with the foregoing capital program procedure, although the County may adopt a bond act even though the project for which it is adopted has not been in any previous capital plan so long as the capital budget is amended.

The County capital project plan will necessitate further financing by the issuance of bonds and/or bond anticipation notes. General improvement and reconstruction of County roads and bridges will continue as required. Additional building construction and capital improvements at various County facilities including the Westchester Community College and correctional facilities on the Valhalla Campus are anticipated. Recreational improvements and improvement of public transportation facilities, including acquisition of new equipment, may be financed during the next several years. In addition, financing will be required for the expansion of County sewer districts, nutrient removal from the Long Island Sound and for expansion of County Refuse Disposal District No. 1 facilities.

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TABLE 12

Capital Budget Projection
As of December 2011
(Dollars in Thousands)

		Financing[c]				
	Estimated Total Cost[a]	Cumulative Appropriations[b]	Operating Budgets[d]	Non-County Share[e]	Aggregate Bonding Authorized And Anticipated[f]	Bonds Authorized[g]
Buildings, Land & Misc.	$ 941,083	$ 697,762	$ 9,169	$ 72,867	$ 615,726	$ 461,146
Parkways	136,364	128,364	720	59,214	68,430	32,380
Roads & Bridges	247,367	159,187	13	55,959	103,215	68,664
Recreation Facilities	559,924	256,649	1,433	3,968	251,248	157,181
Transportation	246,796	150,404	693	129,781	19,930	18,276
Total County	**2,131,534**	**1,392,365**	**12,028**	**321,789**	**1,058,549**	**737,648**
Airport	251,825	126,330	25,508	84,126	16,696	3,450
Refuse Disposal District No. 1	42,690	38,470	20,200	2,000	16,270	10,670
Sewer and Water Districts	1,300,055 [h]	819,713	13,997	11,054	794,661	726,256
Grand Total	**$3,726,104**	**$2,376,878**	**$71,733**	**$418,970**	**$1,886,176**	**$1,478,024**

[a] As estimated in the capital plan, but not necessarily appropriated. Includes projects not yet under the capital budget or subject of a Bond Act. No assurance can be given that the actual cost will not be greater than estimated, in part because of the anticipatory nature of capital planning.

[b] As provided in the capital budgets, which provide for the authorization to spend and the plan of financing. Such appropriations remain in effect until the project is completed or terminated.

[c] As provided in the capital budgets, the County is not committed to the issuance of such bonds and, generally, reduces the final amount of the issue by transfers from the operating budgets and from other sources such as Federal and State funds.

[d] Reflects contribution from operating budgets.

[e] Reflects other revenues, primarily Federal and State funds.

[f] As provided in the capital budget. Includes all bonds issued or anticipated to be issued for the capital projects. Bond anticipation notes may be issued pending the sale of the bonds.

[g] Bonds in the amounts indicated have been issued in prior years. Certain of these bonds have matured and been retired. Completed projects and bonds issued therefore are not shown since they are not in the capital budget.

[h] The Sewer and Water Districts Estimated Total Costs include system, pump stations and treatment plants upgrades and rehabilitations as well as biological nutrient removal projects.

Temporary Borrowing

Bond Anticipation Notes. The following table lists the ten year history of bond anticipation notes.

TABLE 13

Bond Anticipation Notes

Fiscal Year	Issued	Retired	Balance as of December 31
2003	$ 11,300,000 [(a)]	$ 40,284,156	$ 89,000,000
2004	2,800,000 [(a)]	60,400,000	31,400,000
2005	--	29,400,000	2,000,000
2006	10,101,200 [(a)]	2,000,000	10,101,200
2007	39,071,229 [(a)]	36,825,000	12,347,429
2008	18,500,000 [(a)]	8,601,200	22,246,229
2009	87,455,000 [(b)]	3,746,229	105,955,000
2010	147,000,000 [(c)]	46,470,000	206,485,000
2011	9,198,000 [(d)]	151,485,000	64,198,000
2012	--	--	64,198,000 [(e)]

[(a)] Issued to the New York State Environmental Facilities Corporation.

[(b)] $55,000,000 was sold on August 27, 2009 to the New York State Environmental Facilities Corporation and $32,455,000 was sold in October of 2009 for the settlement of litigation.

[(c)] $100,000,000 of Bond Anticipation Notes were issued on December 2, 2010, and retired on November 30, 2011. $47,000,000 of Bond Anticipation Notes were sold to the New York State Environmental Facilities Corporation on September 2, 2010.

[(d)] Two issues of Bond Anticipation Notes in the amount of $5,748,000 and $3,450,000 were issued on February 24, 2011 and sold to the New York State Environmental Facilities Corporation. The County is closing on two Bond Anticipation Notes with the New York State Environmental Facilities Corporation on July 19, 2012. The notes total $80,000,000. Of these notes, $40,000,000 is interest free and $40,000,000 bears interest at the rate of 0.45%. These notes are not included in the above schedule.

[(e)] As of July 16, 2012.

Tax Anticipation Notes. The following table shows the ten year history of tax anticipation notes.

TABLE 14

As of July 16, 2012
Tax Anticipation Notes

Fiscal Year	Issued	Retired	Balance as of December 31
2003	$ --	$ --	$ --
2004	50,000,000	50,000,000	--
2005	--	--	--
2006	--	--	--
2007	--	--	--
2008	--	--	--
2009	--	--	--
2010	70,000,000	70,000,000	--
2011	50,000,000	50,000,000	--
2012	64,720,000	64,720,000	--

Except for tax anticipation notes issued during the period shown in Table 14, the County has not issued revenue anticipation notes or any other form of short-term obligations to finance operating cash-flow needs. The timing of the receipt of taxes and other revenues (including Federal and State aid) and its need for such monies, together with its control of the timing of expenditures, has in the past enabled the County to minimize the need for short-term financing. As of July 16, there are no tax anticipation notes outstanding. The $64,720,000 issued in 2012 was a 90 day note which matured on June 13, 2012.

Underlying Indebtedness of Political Subdivisions Within the County

The estimated gross outstanding indebtedness of other governmental entities within the County, based on unverified information furnished by such entities, is as follows:

TABLE 15

Estimated Underlying Indebtedness
As of June 30, 2011

Cities:	Yonkers	$ 476,191,000
	Peekskill	63,294,266
	Rye	22,173,999
	White Plains	98,973,199
	Mount Vernon	20,003,351
	New Rochelle	89,041,887
Towns:	Nineteen	285,573,155
Villages:	Twenty-three	422,187,977
School Districts:	Forty-eight	1,536,909,534[a]
Overall Estimated Underlying Gross Debt		$ 3,014,348,368[b]

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[a] Net of State Building Aid of $88,965,683.
[b] Does not include deductions for self-supporting debt.

FINANCIAL FACTORS

County finances are operated primarily through the County's General Fund. All taxes and most non-tax revenues are paid into it and all current operating expenditures are made from it pursuant to legislative appropriations. The County also has sewer, water and refuse disposal districts which are managed through individual district funds into which all special assessments or charges for these purposes are paid and from which all expenditures are made. The County also has an Airport Fund and a Trust Fund which do not levy taxes. There is also a Capital Projects Fund used for purposes of capital construction, revenues for which are derived through appropriations in the operating budget, sale of bonds and bond anticipation notes, and State and federal receipts. The County's fiscal year begins January 1 and ends December 31. Financial statements for the County are included in this Appendix A of this Official Statement. These statements have been audited by O'Connor Davies LLP, independent certified public accountants. Appendix B of this Official Statement contains summaries of the County budget for 2012, as adopted.

The financial factors and budgetary information appearing in this Official Statement include updated estimates and proposals for 2012, and projections for 2013 and forward, to the extent presented. Information of this kind necessarily includes estimates and projections of future results which should not be construed as statements of fact. The estimates and projections are based upon various assumptions that could be affected by numerous factors, including future economic conditions in the County, the State and the nation, as well as potential litigation. There can be no assurance that actual results will not differ materially and adversely from the estimates and projections shown in this Official Statement.

Revenues

The County derives its revenues from: State and Federal aid, a direct tax levy on real property, a 1 1/2 % County-wide sales tax, which was increased on October 15, 1991 to 2 1/2% in the towns and in those cities which have not imposed their own sales tax, a hotel occupancy tax, a motor vehicle tax, a mortgage recording tax, and departmental fees and charges. An additional 1/2% sales tax was authorized and imposed in March, 2004, within the towns and cities not imposing sales tax.

Real Property Tax Levy

The County derives its power to levy an ad valorem real property tax from Article 8, Section 10 of the State Constitution. The County's property tax levying powers, other than for debt service and certain other purposes, are limited by the State Constitution to 2% of the most recent five-year average full valuation of taxable real property of the County. See "REVENUES - Municipally Generated Revenues - Real Property Tax" herein. On June 24, 2011, the Tax Levy Limit Law (as defined below in "FINANCIAL FACTORS - The Tax Levy Limit Law") was enacted and imposes a statutory tax levy limitation upon the County's power to increase its annual tax levy. See "FINANCIAL FACTORS - The Tax Levy Limit Law" herein.

In 2012 and 2011, the County levied approximately 32% of its annual revenues from a direct real property tax. Set forth in the following table is the amount of the annual tax levy of the County for the past five years.

TABLE 16

Real Property Tax Levy

	2012	2011	2010	2009	2008
Tax Levy for County Purposes	$548,423,468	$548,423,468	$560,753,491	$544,941,481	$535,467,453
Tax Levy for Sewer, Water and Refuse Disposal Districts	146,629,869	144,017,196	141,439,233	135,625,760	130,200,322
Total	$695,053,337	$692,440,664	$702,192,724	$680,567,241	$665,667,775

Tax Limit. The amount that may be raised by the County-wide tax levy on real estate in any fiscal year for purposes other than for debt service on County indebtedness, is generally limited to one and one-half per centum (subject to increase up to 2% by State legislative enactment) of the average full valuation of taxable real estate of the County. However, the Tax Levy Limit Law imposes a statutory tax levy limitation on the County's power to increase its annual tax levy. The amount of such increase is limited by the formulas set forth in the Tax Levy Limit Law. See "FINANCIAL FACTORS - The Tax Levy Limit Law" herein.

The following table sets forth such real estate taxing limit of the County for the fiscal year 2012.

TABLE 17

Computation of Constitutional Taxing Power-General Fund

For the Fiscal Year 2012

Year	2012 Full Valuation of Real Estate [a]
2011	$155,098,034,210
2010	164,244,469,790
2009	184,306,353,139
2008	188,748,425,071
2007	194,296,468,248
Total	886,693,750,458
Five-year average full valuation	177,338,750,092
Tax Limit: (1.5%)	2,660,081,251
Total Additions	64,491,201[b]
Total taxing power	2,724,572,452
Total levy for 2012	548,423,468
Tax Margin	2,176,148,984

[a] Data taken from official New York State Equalization Tables as established by the New York State Board of Equalization and Assessment.

[b] Excluded from the Constitutional Tax Limit is $64,491,201 appropriated for Debt Service in the 2012 adopted budget.

Assessed and Full Valuation, County Tax Levy and Rates

The following table sets forth five years of the assessed and full valuation of taxable real property, the County's real property tax levy for County purposes and rates of tax per $1,000.

TABLE 18

Historic Valuation, Tax Levy and Rates

Tax Levy Year	Assessed Valuation [a]	Full Valuation [a]	Levied for County Purposes	Rate per $1,000 of Assessed Valuation
2012	$15,781,908,183	$154,998,951,612	$548,423,468	$34.75
2011	16,399,459,325	163,646,825,868	548,423,468	33.44
2010	17,296,380,184	183,872,292,338	560,753,491	32.42
2009	17,486,153,704	188,664,709,508	544,941,481	31.16
2008	17,628,844,332	193,572,868,214	535,467,453	30.37

[a] Westchester County Tax Commission.

The County-wide real estate tax levy is determined by subtracting all other available revenues from total expenditures necessary for County purposes and Sewer, Water, and Refuse Disposal District purposes.

The County-wide real estate tax levy is collected by the cities and towns within the County, each of which constitutes a separate tax district and, as such, is required by statute to collect its proportionate share of such tax levy. Payment of such share must be made to the Commissioner of Finance of the County as collected, and in any event, not less than 60% must be paid by May 25th and the balance must be paid by October 15th of the year for which such taxes are levied.

Unlike most other counties within the State, the County is not legally responsible or liable to the cities, towns, and other municipal corporations and school districts in the County for the amount of any unpaid delinquent County or local taxes. Instead, pursuant to applicable provisions of its Charter and Administrative Code and the State Real Property Tax Law, the County is required to include the amount of any unpaid County-wide taxes in the levy for the subsequent fiscal year on the particular tax district. Consequently, the cities and towns within the County remain liable for the collection of delinquent taxes and bear the burden of enforcement procedures.

However, in the event of the failure of a tax district to pay when due the full amount of its share of taxes payable to the County, the County may sell tax anticipation notes, which notes are redeemable out of such delinquent taxes and any penalties thereon which are payable by the tax district to the County. The County last sold tax anticipation notes for this purpose in 1972. See "FINANCIAL FACTORS - Tax Collection Record" and " - Temporary Borrowing."

These statutes relating to collection of the County-wide tax levy place the burden for collecting unpaid delinquent taxes together with enforcement proceedings therefor, upon the respective tax district, with the result that any liability for unpaid delinquent taxes is not shared by all County taxpayers.

Tax Collection Record

On May 25, 2012 the County collected $417,032,002 (60%) of the total 2012 Tax Levy of $695,053,337. The balance of $278,021,335 (40%) is due on October 15, 2012. Set forth below (and as a result of the statutory requirements above) is the tax collection record of the County and district levies for the past five years.

TABLE 19

Historic Tax Collection Record

Fiscal Year Ending December 31	Total Ad Valorem or General Property Tax	Actual Collection	Uncollected at End of Tax or Fiscal Year
2011	$692,440,664	$692,440,664	$ --
2010	702,192,724	702,192,724	--
2009	680,567,241	680,567,241	--
2008	665,667,775	665,667,775	--
2007	645,415,420	645,415,420	--

The Tax Levy Limit Law

Prior to the enactment of Chapter 97 of the Laws of 2011 (the "Tax Levy Limit Law") on June 24, 2011, all the taxable real property within the County has been subject to the levy of ad valorem taxes to pay the bonds and notes of the County and interest thereon without limitation as to rate or amount. However, the Tax Levy Limit Law imposes a tax levy limitation upon the County for any fiscal year commencing January 1, 2012 through June 15, 2016 or later as provided in the Tax Levy Limit Law, without providing an exclusion for debt service on obligations issued by the County, including the Bonds. As a result, the power of the County to levy real estate taxes on all the taxable real property within the County, without limitation as to rate or amount, may or may not be subject to statutory limitations, according to the formulas set forth in the Tax Levy Limit Law. The actual effect of the Tax Levy Limit Law would depend upon the interpretation of such law by a court of competent jurisdiction in the event of a legal challenge.

The following is a brief summary of certain relevant provisions of the Tax Levy Limit Law. The summary is not complete and the full text of the Tax Levy Limit Law should be read in order to understand the details and implications thereof.

The Tax Levy Limit Law imposes a limitation on increases in the real property tax levy of the County, subject to certain exceptions. The Tax Levy Limit Law permits the County to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor", which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the 20 National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by: (ii) the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, with the result expressed as a decimal to four places. The County is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limit Law sets forth certain exclusions to the real property tax levy limitation of the County, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the County. The governing board of the County may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the governing board of the County first enacts, by a vote of at least sixty percent of the total voting power of the governing board of the County, a local law to override such limit for such coming fiscal year.

The Tax Levy Limit Law does not contain an exception from the levy limitation for the payment of debt service on either outstanding general obligation bonds or notes of the County or such indebtedness incurred after the effective date of the Tax Levy Limit Law. As such, there can be no assurances that the Tax Levy Limit Law will not come under legal challenge for violating (i) Article VIII, Section 12 of the State Constitution for not providing an exception for debt service on obligations issued prior to the enactment of the Tax Levy Limit Law, (ii) Article VIII, Section 10 of the State Constitution by effectively eliminating the exception for debt service to general real estate tax limitations, and (iii) Article VIII, Section 2 of the State Constitution by limiting the pledge of its faith and credit by a municipality or school district for the payment of debt service on obligations issued by such municipality or school district. The County's 2012 tax levy adheres to the Tax Levy Limit Law.

Sales Tax

Since 1971, the County has imposed a 1 1/2% County-wide sales and use tax on all retail sales.

Additionally, the State, effective May 1, 2005, imposes a 4% State sales tax and a 3/8% sales tax levied in the Metropolitan Transportation Authority District.

The cities of White Plains, Mount Vernon, New Rochelle, and Yonkers, pursuant to State law, have imposed sales and use taxes at a rate of 2 1/2%. Currently the city of Rye and the city of Peekskill do not impose such a sales tax.

In July 1991, the State Legislature authorized an additional 1% sales tax (above the 1 1/2% County-wide sales and use tax described above). The additional 1% sales tax is apportioned between the County (33 1/3%), school districts in the County (16 2/3%) and towns, villages and cities in the County which have not imposed sales taxes (50%). The County imposes this additional sales tax in localities other than cities which have their own sales tax. This additional 1% sales tax became effective on October 15, 1991 and has been extended through May 31, 2014.

In February 2004, the State Legislature authorized an increase of 1/2% to the additional 1991 1% sales tax. The County retains 70% of this 1/2 percentage point increase, the municipalities 20% and school districts 10%. This increase became effective March 1, 2004 and expires on May 31, 2014.

In summary, the combined sales tax (County, State, and MTA) in the County, exclusive of cities that have imposed sales tax, is 7 3/8%. In those cities that impose a sales tax, the rate is 8.375%. The total County portion of sales tax equates to a rate of 1.5% on sales in locations with city sales tax and 2.1833% on sales in locations that do not have city sales tax.

Set forth below is a summary of Sales Tax collections for the past five fiscal years:

TABLE 20

	Sales Tax Revenue Westchester County	
Fiscal Year	Gross	County Share
2012[(a)(b)]	$464,763,517	$363,909,834
2011	453,013,940	355,035,883
2010	443,664,755	347,619,070
2009	413,978,855	325,327,065
2008	462,385,067	362,815,056
2007	467,835,719	363,488,524

(a) Amounts shown are amounts budgeted for fiscal year 2012.

(b) Actual collections for 2012 through May are Gross Collections - $163,595,601 and County Share - $128,407,027.

Other Revenues

The Hotel Occupancy Tax went into effect on January 1, 1988. The Motor Vehicle Tax became effective in the third quarter of 1991. The Mortgage Tax became effective in the first quarter of 2004.

Set forth below is a summary of these three taxes for the past three calendar years:

TABLE 21
Other Tax Revenue Collected

	2012 Adopted Budget	Actual 2011	Actual 2010	Actual 2009
Hotel Occupancy Tax	$ 5,000,000	$ 5,169,840	$ 4,751,110	$ 4,119,041
Motor Vehicle Tax	15,100,000	15,124,111	14,821,113	15,059,583
Mortgage Recording Tax	13,500,000	13,079,307	12,969,264	12,465,216

In 2011 State and Federal Aid totaled $436.6 million. This included $275.6 million in Federal and State aid for Social Service programs and $161 million for mental health, public health, transportation and other County programs. Of such amounts 43.1% ($188.2 million) is Federal aid and 56.9% ($248.4 million) is State aid. In 2010 State and Federal aid totaled $458.8 million. This included $300.4 million in Federal and State aid for Social Service programs and $158.4 million for mental health, public health, transportation and other County programs. Of such amounts, approximately 45.5% ($208.7 million) is Federal aid and 54.5% ($250.1 million) is State aid.

The 2012 Adopted Budget anticipates a total of $450.5 million of Federal and State aid, which includes $287.1 million in Federal and State aid for Social Service programs and $163.4 million for mental health, public health, transportation and other County programs. Of such amounts, approximately 45% ($203.3 million) is Federal aid and 55% ($247.2 million) is State aid.

Expenditures

The County's major expenditures are for social services, public health, public safety and transportation. Municipalities and school districts located within the County provide primary police and fire protection, refuse collection and primary and secondary education. General Fund expenditures and other financing uses totaled approximately $1.7 billion during 2011, of which 34% was spent for economic assistance. The 2012 Adopted Operating Budget for the General Fund expenditures and other financing uses totals approximately $1.698 billion, with an estimated 34% being spent on economic assistance.

As a result of Chapter 966 of the New York Laws 1976, a unified State-wide Court System was established in April 1977. The counties are no longer fiscally responsible for those operations assumed by the State.

TABLE 22

Expenditures by Major Category
General Fund
(Dollars in thousands)

	Adopted Budget 2012	Actuals 2011	Actuals 2010	Actuals 2009	Actuals 2008
General Government[(a)]	$198,513	$ 196,609	$ 195,386	$ 228,121	$ 203,316
Education	170,956	169,121	170,894	167,652	157,604
Public Safety	254,961	261,776	266,529	251,519	252,139
Health[(a)]	45,204	49,483	57,406	56,811	56,781
Transportation	139,301	133,506	129,536	133,256	125,689
Economic Assistance	566,448	607,539	602,989	624,258	591,176
Culture and Recreation	47,333	45,702	49,390	50,240	50,845
Home & Community Services	3,663	3,358	5,489	5,012	4,238
Employee Benefits	186,146	212,007	191,769	156,261	152,463
Capital Outlay	850	--	--	--	638
Debt Service	80,192	80,175	72,740	78,256	84,810
Transfers Out	4,319	6,933	5,770	6,476	6,787
Total Expenditures	$1,697,886	$1,766,209	$1,747,898	$1,757,862	$1,686,486

[(a)] Amounts shown for General Government and Health for fiscal years 2008 through 2010 have been restated to conform with fiscal year 2011 presentation.

County Deposits and Investments

New York State law strictly limits the investments of county funds and requires counties to designate, with legislative approval, one or more banks or trust companies for the deposit of public funds. All deposits must be made to the credit of the County and all such deposits in excess of the amount insured under the provisions of the Federal Deposit Insurance Act must be fully collateralized by “eligible securities” held pursuant to a tri-party agreement (under New York State Law) among the County, each depository bank and each custodian bank. Eligible securities that the County utilizes as collateral by the banks for benefit of the County, include the following: obligations issued by the United States of America, an agency thereof or a United States Government sponsored corporation or agency; obligations fully insured or guaranteed as to the payment of principal and interest by the United States of America; and obligations issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation.

Collateral agreements entered into by the County must stipulate that eligible securities are pledged by the bank as security for County deposits and must provide the conditions under which the securities held may be valued, sold, presented for payment, or released and the events of default which will enable the County to exercise its rights and define its obligations as they relate to the pledged securities. Such collateral agreements must also provide that pledged securities will be held by a bank as agent and custodian for the County, will be kept separate and apart from the general assets of the bank and will not, in any circumstances, be commingled with or become part of the backing for any other deposit or other liabilities of the bank.

The County has the power to invest funds of the County not required for immediate expenditure in special time deposit or money market accounts in, or certificates of deposits issued by, a bank or trust company located and authorized to do business in the State. Any such investments must be payable within such times as the proceeds shall be needed to meet expenditures for which such monies were obtained and must provide that such time deposit account or certificate of deposit be collateralized in the same manner as provided for deposits above. All such temporary investments are structured to be payable or redeemable at the option of the County within such times as the proceeds will be needed by the County. This “matching” investment policy frees the County from having to sell such investments prior to maturity or redemption and thereby avoids market risk for such investments. The County may also make temporary investments of public funds in obligations of the United States of America where the payment of principal and interest are guaranteed by the United States of America or in obligations of the State of

New York or with the approval of the New York State Comptroller in short-term obligations of State municipal corporations.

The County's written Investment Policy, as approved by the Board, is conservative in practice as well as in design. All trading partners are either primary dealer investment banks chosen from The Federal Reserve Primary Dealer List or highly rated, well capitalized, commercial banks as determined by the County's own strict due diligence review.

Usual County investments consist of money market accounts, Certificates of Deposit, United States Government Bills, bonds or notes backed by the full faith and credit of the United States, and Repurchase Agreements based in the same United States Government securities, under standardized trading partner repurchase agreements. Securities purchased under Repurchase Agreements are held with third party custodians until repurchase date and are marked to market daily, valued at 102% of the Repurchase Agreement contract.

Commercial bank money market accounts and Certificates of Deposit are collateralized with "eligible securities" as described above and held for the benefit of the County.

BUDGETARY PROCESS

The Department of the Budget (the "Budget Department") is by Charter responsible for the formulation and management of the budget and for its execution, revenue estimates, review and financial analysis. The Budget Department assists the County Executive with the preparation of the budget and presentation to the Board of Legislators. Budget formulation commences in June of each year with a call for budget submissions to all County Departments. By September 10th of each year, department heads submit their requests for the next fiscal year with expenditure and revenue estimates. These estimates are reviewed by the Budget Department and the County Executive, and the County Executive's proposed budget is then presented to the Board on or before November 15. In turn, the Committee on Budget and Appropriations of the Board of Legislators reviews the proposed budget and makes recommendations to amend and/or adopt the budget by December 27. The budget is presented on a department and program basis by object of expenditure and includes the general operating budget for the County, a budget for each of the water, sewer and refuse disposal districts and the capital budget for the County. The capital budget is presented with a five-year plan and is subject to a separate budget process. Not later than May 1st of each year the head of each department, institution, furnishes to the Budget Director, the County Planning Board, and the Capital Projects Committee detailed estimates of any capital projects which should be undertaken within the next five fiscal years. Not later than the tenth day of September, the Planning Board submits to the County Executive, to the Budget Director and the Capital Projects Committee its recommendations. The County Executive submits the Capital Budget along with the report of the Capital Projects Committee to the Board not later than November 15. In turn, the Committee on Budget and Appropriations of the Board reviews the proposed budget and makes recommendations to amend and/or adopt the budget by December 27. The budget is published both in its proposed and adopted form. For the widest possible dissemination, the County's Budget is available on the County's website at http://www.westchestergov.com.

The basic format and content of the operating and capital budgets are fixed by Charter. From time to time during the course of a fiscal year, additional appropriations and modifications of the budget may be enacted. Additional appropriations to the current year's budget requires the recommendation of the County Executive and approval of the Board.

FINANCIAL CONTROLS

During the course of the year, the Budget Department, in addition to the Department of Finance, maintains supervision and control over expenditures and appropriations and monitors revenues. At least monthly, reports on the foregoing are rendered. Once adopted, the annual budget is released to the operating departments. No expenditures may be made unless they are included as part of an allocation. The County operates a full encumbrance accounting system based on allocations wherein requisitions, purchase orders and contracts are encumbered. In addition, all capital outlays must receive a separate allocation. Pursuant to the County Charter, with certain exceptions, contracts must receive prior approval by the Board of Acquisition and Contract, comprised of the Chairman of the Board, the County Executive and the Commissioner of Public Works. A position control system is maintained with respect to employment. The Commissioner of Finance may not disburse money unless appropriated and allocated and not in excess of the amount of the appropriation or allocation. No appropriation may be used for any purpose other than that for which it is made. All unencumbered balances in the General Fund appropriation for each fiscal year lapse on the last day of the fiscal year.

HOSPITAL GOVERNANCE/WESTCHESTER COUNTY HEALTH CARE CORPORATION

Background

The State Legislature adopted legislation during 1997 which created the Westchester County Health Care Corporation ("WCHCC") as a public benefit corporation of the State. A long-term Lease and an Operating Agreement to transfer the facilities and operations of Westchester County Medical Center to WCHCC had been developed with the County which was effective January 1, 1998. Subsequent to January 1, 1998, additional negotiations resulted in a Transition Agreement and an Amended and Restated Lease Agreement. The Transition Agreement commenced on January 1, 1998 and continued for a period of ten years, ending on December 31, 2007. During this period there were various amendments to the Transition Agreement which provided WCHCC with continued financial support by the County.

Current Agreements

Cooperation Agreement

On December 8, 2008, the Westchester County Board of Legislators approved Act No. 233-2008 authorizing the County to enter into a Cooperation Agreement, and on December 15, 2008 the County and the WCHCC entered into the Cooperation Agreement which amended and restated the Transition Agreement. The term of the Cooperation Agreement retroactively commenced January 1, 2008 and continues through December 31, 2017.

Beginning in 1998, WCHCC financed working capital through the issuance of its commercial paper which was credit-enhanced by a line of credit agreement. The County provided credit support for WCHCC's working capital in the form of an appropriation specifically linked to such working capital financing in the County's Operating Budget. In 2009, the County and WCHCC entered into a First Amendment to the Cooperation Agreement dated December 17, 2009 in order to revise the pay down schedule for the commercial paper.

Thereafter in 2010, the County and WCHCC entered into a Second Amendment to the Cooperation Agreement dated December 21, 2010 wherein WCHCC released the County from its obligation to provide WCHCC with Credit Support under Article Nine of the Cooperation Agreement. In December 2010, WCHCC repaid the commercial paper in full. There is currently no obligation for the County to provide Credit Support to WCHCC and any future provision of Credit Support is within the County's discretion.

Under the Cooperation Agreement the County, in its sole discretion, may upon request by WCHCC issue its own bonds and/or guarantee obligations of WCHCC pursuant to Public Authorities Law Section 3307 to the extent necessary to finance capital projects that appear in WCHCC's capital budget. Nothing commits the County to guarantee bonds issued by WCHCC which is unlike the Transition Agreement which obligated the County to do so.

In December 2010, WCHCC refunded and defeased all of the outstanding amounts of WCHCC's Revenue Bonds that had been guaranteed by the County.

Amended and Restated Lease Agreement

The Amended and Restated Lease Agreement represents a real property lease for land and facilities and is for a term of 60 years commencing on January 1, 1998 and provides WCHCC with four renewal options. WCHCC shall have the right to extend the term of the Amended and Restated Lease Agreement at market rent for three additional terms of ten (10) years each and one additional term of five (5) years. Base rent under the Amended and Restated Lease is in an amount equal to the principal and interest due from time to time on general obligation bonds of the County that have been issued or are hereafter issued by the County to finance capital projects of WCHCC as set forth in the Cooperation Agreement, where the bonds issued are in the form of a loan to WCHCC.

FINANCIAL STATEMENTS AND ACCOUNTING PROCEDURES

Included in Appendix A are the financial statements of the County for the year ended December 31, 2011 together with the report thereon, dated July 16, 2012, of O'Connor Davies LLP, independent certified public accountants. Appendix B contains the budget for 2012 as adopted.

RESULTS OF OPERATIONS FOR THE GENERAL FUND FOR THE 2011 FISCAL YEAR AND THE BUDGET FOR 2012

The audited 2011 fiscal year resulted in a year-end unassigned General Fund balance of $57.4 million compared to the unassigned 2010 General Fund balance of $36.0 million.

The 2012 Adopted Budget tax levy of $548.4 million is the same as the 2011 tax levy. As adopted, the total County spending in the 2012 General Fund Budget of $1.698 billion represents a decrease of $68.323 million compared to 2011 actual spending of $1.766 billion.

The December 31, 2011 General Fund balance totaled $151.6 million. This balance is made up of the following items: unassigned - $56.1, non-spendable - $10.0 million, restricted - $3.9 million, assigned - $81.6 million. The detail of the assigned balance is as follows: New York State Retirement Stabilization - $28 million, other post employment benefits (GASB 45) - $41 million, purchases on order - $6.4, Medicaid claims - $4.4 million, miscellaneous items - $1.1 million, and for subsequent year's expenditures - $0.7 million.

ADOPTED 2012 BUDGET

The County Executive released his proposed 2012 budget on November 15, 2011. The Board adopted the 2012 budget, as modified by the Board, on December 9, 2011. Total expenditures are budgeted at $1.698 billion. Sales Tax revenues are budgeted at $464.8 million (27.4% of total), property tax is budgeted at $548.4 million (32.3% of total), and Federal and State aid is budgeted at $450.5 million (26.5% of total).

EMPLOYEES

The County provides services through approximately 4,820 full-time equivalent employees; 380 of these employees have been determined to be management level or confidential in nature and thus are not represented by any labor organization. All other employees are in titles that are represented for collective bargaining purposes. As of July 2012, this representation is provided by eight labor organizations, which are:

The New York State Nurses Association (NYSNA) representing 33 registered nurses in various County departments;

The Westchester County Correction Officers Benevolent Association (COBA) representing 691 correction officers;

The Westchester County Correction Department Superior Officers Association (SOA) representing 113 senior assistant wardens, sergeants, captains and specialists;

The Westchester County Police Officers Benevolent Association, Inc. (PBA) representing 238 police officers and sergeants in the Police Division, Public Safety Services;

The Westchester County Police Officers Benevolent Association, Superior Officers Unit (SPBA) representing 23 Captains and Lieutenants in the Police Division, Public Safety Services;

The District Attorney Investigators PBA of Westchester County (DA Investigators) representing 32 Criminal Investigators in the District Attorney's Office;

Local 456, International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, AFL-CIO representing 123 administrators and managers; and

The Civil Service Employees Association (CSEA) representing all titles and County employees other than those mentioned above. This representation amounts to 3,175 employees.

The collective bargaining agreements expire at different times. The NYSNA contract expired on December 31, 2011 and is in negotiations. The SOA contract expired on December 31, 2001, and has continued by interest arbitration awards through December 31, 2008; negotiations on a new agreement have commenced. The COBA contract expired on December 31, 2001, and was continued by interest arbitration awards through December 31, 2008. The parties have reached a new agreement covering 2009 – 2015, effective July 9, 2012. The PBA and SPBA contracts expired on December 31, 2002 and have continued through interest arbitration through December 31, 2008; negotiations for new agreements are now in interest arbitration. The DA Investigator's PBA contract expired on December 31, 2006 and was continued by interest arbitration awards through December 31, 2008. Negotiations for a new contract are in progress. The Local 456 Teamsters contract expired on December 31, 2008; the parties have reached a new agreement covering 2009-2015, effective June 4, 2012. The CSEA unit representing all other CSEA employees had a six-year agreement, which expired December 31, 2011. The parties are currently in negotiations.

Pension Systems

The primary government and certain component units participate in the New York State and Local Employees' Retirement System ("ERS") and the New York State and Local Police and Fire Retirement System ("PFRS") (collectively the "Systems"). The Systems are cost-sharing multiple-employer defined benefit pension plans. The Systems provide retirement, disability and death benefits to plan members. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law. The Systems issue a publically available financial report that includes financial statements and required supplementary information for the Systems. That report may be obtained by writing to the New York State and Local Employees' Retirement System, 110 State Street, Albany, New York 12224.

Funding Policy - The Systems are non-contributory, except for employees in tiers 3 and 4 that have less than ten years of service, who contribute 3% of their salary, and employees in tier 5 who also contribute 3% of their salary without regard to their years of service. Employees hired after April 1, 2012 are members of Tier 6. Tier 6 members are required to contribute from 3% to 6% of their salaries based on a sliding scale toward pension costs as long as they accumulate additional pension credits. Contributions are certified by the State Comptroller and expressed as a plan. Contribution rates for the plan year ended March 31, 2012 are as follows:

TABLE 23

	Tier	Rates
ERS	1	21.5%
	2	19.7% - 22.7%
	3	15.8% - 15.9%
	4	15.8% - 24.0%
	5	12.7% - 15.8%
PFRS	1	26.0 %
	2	20.9%
	3	16.7%

The County's expense in connection with the New York State systems is funded on an actuarial basis provided by the State and the billing is on a fiscal year basis of April 1 to March 31. The County's cost for the last five years is scheduled in Table 24:

TABLE 24

Payments to Employees' Retirement System

	Years Ended December 31				
	2011[(a)]	2010	2009	2008	2007
New York State Employees Retirement System	$83,934,680[(a)]	$44,919,620	$32,482,931	$31,874,842	$36,668,016
New York State Policemen's and Fireman's Retirement System	6,387,953	6,773,189	4,232,592	4,198,073	5,240,475
Total Payment	$90,322,633[(a)]	$51,692,809	$36,715,523	$36,072,915	$41,908,491

[(a)] Includes $21.0 million for Early Retirement Incentive in 2011.

The 2012 adopted budget contains appropriations of approximately $41 million for ERS and $6.3 million for PFRS for the County's 2012 contribution to the NYS Local Retirement system for the period ending March 31, 2013. This appropriation level assumes the amortization of the maximum amount allowable (approximately $30 million) under the Contribution Stabilization Program. In 2011 (for the period ending March 31, 2012) the County did not amortize any amount under the Stabilization Program. Approximately $22 million was paid to the Retirement System in 2011 that could have been amortized.

GASB 45 and Other Post-employment Benefits (OPEB)

The County provides post-retirement employment benefits to various categories of former employees. Those benefits are funded on a pay-as-you-go basis. Under the requirements of the Governmental Accounting Standards Board (GASB) Statement No. 45 (GASB 45), all governmental entities are now required to report the estimated cost of the accrued liability for such post-employment benefits. Governments, including the County, with budgeted revenues in excess of $100 million, must report that liability on an annual basis.

GASB 45 requires governments to account for OPEB liabilities much like they already account for pension liabilities, generally adopting the actuarial methodologies used for pensions, with adjustments for the different characteristics of OPEB. Unlike GASB 27, which covers accounting for pensions, GASB 45 does not require governments to report a net OPEB obligation initially.

Under GASB 45, based on actuarial valuation, an annual required contribution (ARC) will be determined for each municipality. The ARC is the sum of (a) the normal cost for the year (the present value of future benefits being earned by the current employees) plus (b) amortization of the unfunded accrued liability (benefits already earned by current and former employees but not yet provided for), using an amortization period of not more than 30 years. If a municipality contributes an amount less than the ARC, a net OPEB obligation will result, which is required to be recorded as a liability on its financial statements.

GASB 45 does not require that the unfunded liability actually be amortized nor that it be advance funded, only that the municipality account for its unfunded accrued liability and compliance in meeting its ARC. The County contracted with SGRisk to perform the OPEB study and actuarial calculation. The County's total actuarial accrued liability reported in the 2011 audited financial report was determined to be $2.354 billion. The County's ARC was $203.72 million for 2011.

Actuarial valuations are required every two years since the County's OPEB plan has more than 200 members.

MARKET FACTORS

The financial condition of the County as well as the market for the Bonds could be affected by a variety of factors, some of which are beyond the County's control. There can be no assurance that adverse events in the State, including, for example, the seeking by a municipality of remedies pursuant to the Federal Bankruptcy Act or otherwise, will not occur which might affect the market price of and the market for the Bonds. If a significant default or other financial crisis should occur in the affairs of the United States of America or the State or of any of its agencies or political subdivisions, this could adversely affect both the ability of the County to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Bonds.

The County is dependent in part on financial assistance from the State. However, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes or other revenues in order to pay State aid to municipalities and school districts in the State, including the County, in this year or future years, the County may be affected by a delay, until sufficient State taxes or other revenues have been received by the State to make State aid payments to the County.

The enactment of the Tax Levy Limit Law, which imposes a statutory tax levy limitation upon municipalities, school districts and fire districts in the State, including the County, without providing an exclusion for debt service on obligations issued by municipalities and fire districts, including the County, could have an impact upon the market price for the Bonds. See "FINANCIAL FACTORS - The Tax Levy Limit Law" herein.

LITIGATION

The County, its officers, and its employees are the defendants in a number of lawsuits. The County Department of Law, headed by the County Attorney, has determined that there are no pending lawsuits which will have the potential for an expenditure of more than $5,000,000 in excess of any amounts not provided for in the self insurance reserves, except as noted below.

With regard to the other pending litigation, it is the opinion of the County Attorney that the final determination of such litigation, either individually or in the aggregate, would not materially affect the County's financial position.

The County also receives numerous notices of claim each year. These notices, however, are usually not explicit enough for the County Attorney to accurately ascertain their potential for liability to the County.

Certiorari Proceedings. The various towns and cities within the County are defendants in numerous certiorari proceedings, the results of which generally require tax refunds on the part of the County. The dollar value of the actions currently pending is not available. However, General Fund refunds of $11,638,039 and $14,535,456 were expended in 2010 and 2011, respectively. For 2012, the County has budgeted $12,000,000, which is projected to be sufficient to cover certiorari expenditures.

In 2006, a lawsuit was filed against the County of Westchester entitled United States of America ex rel. Anti-Discrimination Center of Metro New York, Inc. v. Westchester County, New York, concerning the use of federal funds for affordable housing and community development projects. The parties reached an agreement and on August 10, 2009, a Stipulation and Order of Settlement of Dismissal was filed whereby the County is required to, among other things, expend a total of $62,500,000. Initial payments totaling $32,500,000 were made by the County as follows: $30,000,000 was paid to the United States in full settlement of all claims and $2,500,000 was paid to the opposing counsel. The United States will credit $21,600,000 of the initial payment to the County's Housing and Urban Development (HUD) account for use by the County to affirmatively further fair housing pursuant to Community Development Block Grant (CDBG) regulations. The remaining $30,000,000 will be spent on specific affordable housing projects as they are identified and subject to legislative approval of each such expenditure. There has been no change in the terms of the Stipulation and Order of Settlement and Dismissal.

Self Insurance

The County, in 1986, pursuant to the authority granted under New York General Municipal Law ("GML") Section 6-n, is self-funding its casualty and liability exposures, including exposure for general, automobile, professional, and public officials, as well as medical malpractice exposures deriving from the activities of the Westchester County Medical Center (the "6-n Fund"). The County's medical malpractice exposures from the Westchester County Medical Center were terminated in 1998 when the Westchester County Health Care Corporation took over those responsibilities. In 1989, pursuant to the authority granted under GML Section 6-j, the County began self-funding the administration and payment of its worker's compensation claims (the "6-j Fund"). (The 6-n Fund and the 6-j Fund are collectively referred to as "Self-Insurance Funds.")

Applicable law provides that payment into 6-n Fund during any fiscal year be limited to $33 million or 5% of the total budget for each year, whichever is greater.

Accordingly, the County has retained the services of an independent actuary to evaluate its loss history and provide recommendations in establishing the County's liabilities for all past claims and its funding for future claims.

The actuary has certified as to the adequacy of the amount accrued as of December 31, 2011 for claims arising from 1986 through 2011 exposures, including a provision for incurred but not reported claims.

Of those cases instituted after the December 31, 2011 actuarial estimates which are covered by the County's Self-Insurance Funds, none is expected to result in exposure in excess of $5,000,000. The 6-n Fund retains an adequate and sufficient unallocated reserve to pay for claims exceeding that amount, as a contingency, in lieu of purchasing commercial insurance policies.

There are currently no cases that may have an estimated value of $5,000,000 or more and which are not covered by the County's Self-Insurance Funds.

See "WESTCHESTER COUNTY - Utility Services" herein for a discussion of certain administrative proceedings involving the County and State and federal environmental regulatory agencies, relating to the County's obligations to provide certain sewage treatment and sludge disposal facilities.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the County, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code; such interest, however is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations. The Arbitrage and Use of Proceeds Certificate of the County (the "Tax Certificate") which will be delivered concurrently with delivery of the Bonds will contain provisions and procedures relating to compliance with applicable requirements of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the County and others in connection with the Bonds, and Bond Counsel has assumed compliance by the County with certain provisions and procedures set forth in the Tax Certificate relating to compliance with certain applicable requirements of the Code to assure the exclusion of interest on the Bonds from gross income under Section 103 of the Code.

In addition, in the opinion of Bond Counsel, under existing statutes, interest on the Bonds is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York and the City of Yonkers.

Bond Counsel expresses no opinion regarding any other Federal or state tax consequences with respect to the Bonds. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update its opinion after the issue date to reflect any future action, fact or circumstance, or change in law or interpretation, or otherwise. Bond Counsel expresses no opinion on the effect of any action hereinafter taken or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for Federal income tax purposes of interest on the Bonds or on the exemption from state and local tax law of interest on the Bonds.

Certain Ongoing Federal Tax Requirements and Certifications

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on such Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the Federal government. Noncompliance with such requirements may cause interest on the Bonds to become included in gross income for Federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The County Commissioner of Finance, in executing the Tax Certificate with respect to the Bonds, will certify to the effect that the County will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure the exclusion of interest on the Bonds from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral Federal income tax matters with respect to the Bonds. It does not purport to address all aspects of Federal taxation that may be relevant to a particular owner of a Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the Federal tax consequences of owning and disposing of the Bonds.

Prospective owners of the Bonds should be aware that the ownership of such obligations may result in collateral Federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for Federal income tax purposes. Interest on the Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Original Issue Discount

"Original issue discount" ("OID") is the excess of the sum of all amounts payable at the stated maturity of a Bond (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the "issue price" of a maturity means the first price at which a substantial amount of the Bonds of that maturity was sold (excluding sales to bond houses, brokers, or similar persons acting in the capacity as underwriters, placement agents, or wholesalers). In general, the issue price for each maturity of Bonds is expected to be the initial public offering price set forth on the cover page of the Official Statement. Bond Counsel further is of the opinion that, for any Bonds having OID (a "Discount Bond"), OID that has accrued and is properly allocable to the owners of interests in the Discount Bonds under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the Bonds.

In general, under Section 1288 of the Code, OID on a Discount Bond accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Bond. An owner's adjusted basis in a Discount Bond is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of interests in such Bond. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning interests in a Discount Bond even though there will not be a corresponding cash payment.

Owners of interests in Discount Bonds should consult their own tax advisors with respect to the treatment of original issue discount for federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of interests in Discount Bonds.

Bond Premium

In general, if an owner acquires a Bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the Bond after the acquisition date (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates), that premium constitutes "bond premium" on that Bond (a "Premium Bond"). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner's yield over the remaining term of the Premium Bond, determined based on constant yield principles (in certain cases involving a Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond). An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner's regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner's original acquisition cost. Owners of any Premium Bonds should consult their own tax advisors regarding the treatment of bond premium for Federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Bonds.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest on tax-exempt obligations, including the Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Bonds from gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's Federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under Federal or state law or otherwise prevent beneficial owners of the Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Bonds.

Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

RATINGS

The Bonds have been assigned a rating of "Aaa" (negative outlook) by Moody's Investors Service ("Moody's"), "AAA" (stable outlook) by Standard and Poor's Corporation ("S&P") and "AAA" (stable outlook) by Fitch Ratings ("Fitch").

An explanation of the significances of such ratings may be obtained from Moody's, S&P, and Fitch. The ratings reflect the views of such rating agencies, based on information and materials furnished to them and on investigations, studies and assumptions made by such rating agencies, and the County makes no representation as to the appropriateness of the ratings. Further, there is no assurance that such ratings will continue for any given period of time or that they will not be revised downward, suspended or withdrawn entirely if, in the sole judgment of such rating agencies, circumstances so warrant. Any such downward revision, suspension or withdrawal of a rating may have an adverse effect on the trading value and the market price of the Bonds. The Underwriters and the County undertake no responsibility after issuance of the Bonds to assure the maintenance of the ratings or to oppose any revision, suspension or withdrawal thereof.

A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

UNDERWRITING

The Bonds are being purchased for reoffering by the Underwriters set forth on the front cover page hereof, for whom Citigroup Global Markets Inc. is acting as Senior Manager, at an aggregate purchase price for the Bonds of $27,337,309.77 (representing the aggregate principal amount of $22,360,000 of the Bonds, less Underwriters' discount of $160,097.73 and plus original issue premium of $5,137,407.50).

The purchase contract between the County and the Underwriters provides that the Underwriters will purchase all of the Bonds, if any Bonds are purchased.

The Underwriters may offer and sell Bonds to certain dealers and others at prices other than the initial offering prices. The offering prices may be changed from time to time by the Underwriters.

Citigroup Inc., parent company of Citigroup Global Markets Inc., an underwriter of the Bonds, has entered into a retail brokerage joint venture with Morgan Stanley. As part of the joint venture, Citigroup Global Markets Inc. will distribute municipal securities to retail investors through the financial advisor network of a new broker-dealer, Morgan Stanley Smith Barney LLC. This distribution arrangement became effective on June 1, 2009. As part of this arrangement, Citigroup Global Markets Inc. will compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Bonds.

M.R. Beal & Company, an underwriter of the Bonds, has entered into an agreement (the "Distribution Agreement") with TD Ameritrade, Inc. for the retail distribution of certain municipal securities offerings, at the original issue prices. Pursuant to the Distribution Agreement (as applicable for the Bonds), M.R. Beal & Company will share a portion of its underlying compensation with respect to the Bonds with TD Ameritrade, Inc.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the County for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the County

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds will be subject to the final approving opinion of the law firm of Hawkins Delafield & Wood LLP, Bond Counsel to the County. Certain legal matters will be passed upon for the Underwriters by their counsel, McKenna Long & Aldridge LLP, New York, New York.

FINANCIAL ADVISOR

The County has retained Public Financial Management, Inc. of New York, New York, as Financial Advisor in connection with the issuance and sale of the Bonds. Public Financial Management, Inc. is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement. Public Financial Management, Inc. is an independent advisory firm and is not engaged in the business of underwriting, trading, or distributing municipal securities or other public securities.

ADDITIONAL INFORMATION

Periodic public reports relating to the financial condition of the County, its operations and the balances, receipts and disbursements of the various funds of the County are prepared by the Department of Finance, Department of Budget and independent certified public accountants of the County. In addition, the County regularly receives reports from consultants, commissions and special task forces relating to various aspects of the County's financial affairs, including capital projects, County services, taxation, revenue estimates, pensions and other matters. Additional copies may be obtained upon request from the office of the Commissioner of Finance, Ann Marie Berg, at (914) 995-2757. This Official Statement is also available electronically on the Internet at www.i-dealprospectus.com.

Any questions on any financial aspect of the County may be directed to the Commissioner of Finance, Ann Marie Berg, at (914) 995-2757.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be realized. This Official Statement is not to be construed as a contract or agreement between the County and the Purchasers or holders of any of the Bonds.

This Official Statement is submitted only in connection with the sale of the Bonds by the County and may not be reproduced or used in whole or in part for any other purpose.

COUNTY OF WESTCHESTER, NEW YORK

By: /s/ Ann Marie Berg
Commissioner of Finance and Chief Fiscal Officer

Dated: July 26, 2012

INDEX TO APPENDICES

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Appendix C

Appendix D

Appendix E

Note: Appendixes A and C have been extracted from Westchester County's Comprehensive Annual Financial Report (CAFR) for the Year Ending December 31, 2011. As such, some references are made to specific page numbers or exhibits that do not correspond to this Official Statement. A complete copy of the County's 2011 CAFR can be accessed at www.westchestergov.com/finance (Finance Department). Alternately, you may contact the Office of the Commissioner of Finance (see Additional Information, herein).