

*County of Cambria*



**Financial Statements  
December 31, 2009**

# COUNTY OF CAMBRIA

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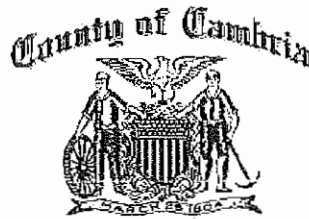
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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**INTRODUCTION**

This section of the County of Cambria's annual financial report provides the reader with an introduction to the basic financial statements and an analytical overview of the financial activities for the year ended December 31, 2009. It is best understood if read in conjunction with accompanying basic financial statements, notes to the financial statements, and supplementary information. The Management Discussion and Analysis section of the financial report began with the implementation of Statement No. 34 of the Governmental Accounting Standards Board, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* (GASB 34). The intent of the Management Discussion and Analysis is to focus on the current year's activities and resulting changes in the County's financial position. It also includes currently known facts that may have a significant impact on the County's financial position.

GASB 34 establishes the required elements of the general purpose external financial report as:

- Management's Discussion and Analysis
- Basic Financial Statements
  - *Government-wide Financial Statements*
  - *Fund Financial Statements*
  - *Notes to the Financial Statements*
- Required Supplementary Information

## **FINANCIAL HIGHLIGHTS**

The following financial highlights are described in more detail in the analysis sections of the Management Discussion and Analysis:

- The General Fund reported an ending fund balance of \$8.54 million, which was an increase of \$136,161 from 2008.
- The General Fund unreserved, unrestricted fund balance was \$6.31 million, an increase of \$2.30 million from 2008.
- Government-wide net assets (assets minus liabilities) at the end of the year were \$10.67 million, a decrease of \$0.48 million from 2008.
- The outstanding bonds payable was \$30.03 million, a decrease of \$1.38 million from 2008. The balance of outstanding notes and loans payable was \$16.33 million, a decrease of \$1.43 million from 2008. The outstanding balance of obligations under capital leases was \$23.28 million, an increase of \$1.73 million from 2008.
- For calendar year 2009, the County's real property tax rate increased 3.65 mills to 26.9 mills.

## **OVERVIEW OF THE FINANCIAL REPORT**

Cambria County's reporting entity is comprised of the primary government and its component units. Component units are legally separate organizations for which the County is financially accountable, or for which, there is a significant relationship.

### **Government-wide Financial Statements**

The government-wide financial statements provide information on governmental and business-type activities excluding fiduciary activities in a manner similar to the private sector. The statements are prepared using the accrual basis of accounting. Revenues and expenses are taken into account when earned or incurred regardless of when cash is received or paid.

Governmental and business-type activities are reported in separate columns which add to a total for the Primary Government. The government-wide financial statements also include segregated information for entities known as Component Units. Component Units are legally separate units for which the County has financial accountability. Cambria County has nine component units – Planning Commission, Redevelopment Authority, Library Association, Airport Authority, Transit Authority, Solid Waste Management Authority, Conservation and

Recreation Authority, Pennsylvania Highlands Community College, and Behavioral Health of Cambria County.

The statement of Net Assets reports all assets and liabilities, both current and non-current, with the difference between the two reported as net assets. Over time, increases and decreases in net assets may serve as one indicator of whether the County's financial position is improving or deteriorating. Additionally, non-financial factors, such as changes in the real estate tax base or the condition of County facilities, should be considered to assess the overall financial condition of the County.

The Statement of Activities shows the extent to which program revenues offset the expenses of governmental and business-type activities. This is intended to summarize and simplify users' analysis of the cost of various governmental services and/or subsidy to business-type activities. The statement also reports the change in net assets as a result of the fiscal year's revenue and expenses. The governmental activities included in the statement reflect Cambria County's basic services, including general government, judicial government, public safety, public works, human services, culture and recreation, conservation and development, and debt service. Taxes, charges for services, and intergovernmental revenues primarily finance these services. The primary government has four business-type activities – Laurel Crest Rehabilitation and Special Care Center, Laurel Crest D.M.E. Fund, Central Park Complex, and Cambria Connected. For Laurel Crest, the County operated nursing home, fees are charged directly or through third party billing to fund the cost of operating the facility. The Central Park Complex generates rental income from the agencies and tenants that occupy the building to help offset the operating costs. Cambria Connected collects fees from businesses, residents, schools, and municipalities for broadband internet access.

## **Fund Financial Statements**

Traditional users of governmental financial statements will find the fund financial statements more familiar. A fund is a separate fiscal and accounting entity that is used to segregate sources and uses of funding for specific purposes. Cambria County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the County are divided into three categories – governmental, proprietary, and fiduciary. Each category is reported using the measurement focus and basis of accounting required for that category.

### **Governmental Funds:**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide Statement of Activities. However, unlike the government-wide statements, the governmental fund statements focus on current sources and uses of expendable resources available at the end of the year.

Cambria County has thirty-one individual governmental funds. Of these funds, four have been identified as major funds based on minimum criteria set forth in GASB 34. The major governmental funds reported in the financial statements for the County are the General Fund, the Capital Projects Fund, the Mental Health/Mental Retardation Fund, the Health Choices Fund, and the Children and Youth Services Fund. The non-major funds reported in the financial statements are – Debt Service, Hotel Tax, Redevelopment Authority, Liquid Fuels Tax, 9-1-1 Emergency Communications Fund, Domestic Relations, Drug and Alcohol, Detention/Emergency Shelter, Juvenile Probation, Area Agency on Aging, Human Services, Foster Grandparents, Farmland Preservation, Driving Under the Influence, Substance Abuse, Jail/Detention, Affordable Housing, Chesapeake Bay, Dirt and Gravel Road, Prothonotary Automation, Clerk of Courts Automation, Register of Wills Automation, County Records Improvement, Hazardous Materials Emergency Response Account (HMER), Parks & Playgrounds, and Special Hazardous Assistance Response Team (SHARP).

### **Proprietary Funds:**

Proprietary funds (Enterprise Funds) are financed and operated in a manner similar to private business enterprises in which costs are recovered primarily through user charges. Cambria County maintains four different types of proprietary funds that utilize the accrual basis of accounting. An enterprise fund is used to report the same functions as presented in a business-type activity in the government-wide financial statements. As stated before, the County has four enterprise funds – Laurel Crest Rehabilitation and Special Care Center, Laurel Crest DME, Central Park Complex, and Cambria Connected.

### **Fiduciary Funds:**

Fiduciary funds are used to account for resources held for the benefit of the parties outside of the government. Cambria County is responsible for ensuring that the assets of these funds are used for the intended purposes. The County is the trustee, or fiduciary, for the following funds – Retirement Trust, Non-AFDC IRS, Prison Resident, Prison Canteen, Recorder of Deeds, Register of Wills, Sheriff's Office, Office of the Prothonotary, Clerk of Courts, Domestic Relations Support, Intermediate Punishment Unit, and Workers' Compensation. Fiduciary activities are reported in a manner similar to proprietary funds in a Statement of Fiduciary Net Assets and a Statement of Changes in Fiduciary Net Assets. Fiduciary funds are excluded from the government-wide financial statements because the assets of these funds are not available to support Cambria County's programs.

### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes immediately follow the financial statements.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

### Government-wide Statement of Net Assets

The table below summarizes the Statement of Net Assets for the primary government as of December 31, 2008 and 2009.

Cambria County Primary Government Summary of Net Assets December 31, 2009 and 2008							
		Governmental Activities		Business-type Activities		Total	
Assets:		2009	2008	2009	2008	2009	2008
	Current Assets	\$32,190,193	\$31,928,943	\$6,160,605	\$(2,968,971)	\$38,350,798	\$28,959,972
	Non-current Assets	<u>57,202,757</u>	<u>56,844,985</u>	<u>24,810,208</u>	<u>25,572,969</u>	<u>82,012,965</u>	<u>82,417,954</u>
	<b>Total Assets</b>	<u>89,392,950</u>	<u>88,773,928</u>	<u>30,970,813</u>	<u>22,603,998</u>	<u>120,363,763</u>	<u>111,377,926</u>
<b>Liabilities:</b>							
	Current Liabilities	26,855,068	24,005,487	17,550,014	4,969,527	44,405,082	28,975,014
	Non-current Liabilities	<u>44,891,081</u>	<u>49,091,824</u>	<u>20,396,749</u>	<u>22,161,327</u>	<u>65,287,830</u>	<u>71,253,151</u>
	<b>Total Liabilities</b>	<u>71,746,149</u>	<u>73,097,311</u>	<u>37,946,763</u>	<u>27,130,854</u>	<u>109,692,912</u>	<u>100,228,165</u>
<b>Net Assets:</b>							
	Investments in Capital Assets, Net Of related Debt	7,055,955	6,327,525	4,457,592	4,634,164	11,513,547	10,961,689
	Unrestricted	10,583,791	9,298,187	(11,433,542)	(9,161,020)	(849,751)	137,167
	Restricted	<u>7,055</u>	<u>50,905</u>	<u>---</u>	<u>---</u>	<u>7,055</u>	<u>50,905</u>
	<b>Total Net Assets</b>	<u>\$17,646,801</u>	<u>\$15,676,617</u>	<u>\$(6,975,950)</u>	<u>\$(4,526,856)</u>	<u>\$10,670,851</u>	<u>\$11,149,761</u>

**Total net assets:** Net assets of the County's governmental activities were \$17.65 million, an increase of \$1.97 million from 2008. Of this amount, \$7.06 million represents investments in capital assets, net of related debt. The unrestricted net asset balance as of the end of the year was \$10.58 million, which represents an increase of \$1.29 million or 13.8% from 2008. The restricted net asset balance was \$7,055, a decrease of \$43,850 from the prior year. The restriction reflects a reserve for the Library Association for \$7,055.

Net assets of the County's business-type activities were \$(7.0) million, a decrease of \$2.45 million from 2008. The decrease is the result of a \$1.82



million operating loss at Laurel Crest and a \$608,354 operating loss for Cambria Connected for 2009. Of the total net assets, \$4.46 million represents investments in capital assets, net of related debt. The unrestricted net asset balance at year-end was \$(11,433,542).

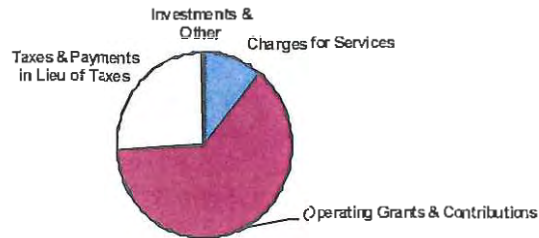
### Government-wide Statement of Activities

The table below summarizes the changes of net assets for the primary government for the period ended December 31, 2008 and 2009:

Cambria County Primary Government Summary of Changes in Net Assets For the Years Ended December 31, 2009 and 2008						
	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	13,637,311	\$15,303,383	\$23,419,166	\$25,370,728	\$37,056,477	\$40,674,111
Operating Grants & Contributions	81,163,031	88,371,824	---	---	81,163,031	88,371,824
Capital Grants & Contributions	317,302	916,954	---	---	317,302	916,954
General Revenues:						
Taxes & Payments in Lieu of Taxes	32,424,521	27,983,450	---	---	32,424,521	27,983,450
(Loss)/Gain from Sale of Assets	(45,600)	(45,364)	---	---	(45,600)	(45,364)
Unrestricted Investment Earnings	167,323	444,456	1,026	11,821	168,349	456,277
Other Revenues	133,445	144,793	91,501	114,212	224,946	259,005
<b>Total Revenues</b>	<b>127,797,333</b>	<b>133,119,496</b>	<b>23,511,693</b>	<b>25,496,761</b>	<b>151,309,026</b>	<b>158,616,257</b>
<b>Expenses:</b>						
General Government-Administrative	4,414,594	4,909,879	---	---	4,414,594	4,909,879
General Government-Judicial	6,857,628	6,751,974	---	---	6,857,628	6,751,974
Public Safety	13,486,237	12,142,644	---	---	13,486,237	12,142,644
Public Works	2,371,516	2,704,275	---	---	2,371,516	2,704,275
Human Services	78,045,219	87,291,713	---	---	78,045,219	87,291,713
Culture and Recreation	498,750	341,518	---	---	498,750	341,518
Conservation and Development	2,987,502	2,542,911	---	---	2,987,502	2,542,911
Emergency Communications Services	2,550,450	2,530,010	---	---	2,550,450	2,530,010
Employee Benefits	5,336,895	5,106,156	---	---	5,336,895	5,106,156
Debt Service	2,456,744	2,258,380	---	---	2,456,744	2,258,380
Unallocated Depreciation	3,432,518	3,212,594	---	---	3,432,518	3,212,594
Laurel Crest Manor	---	---	24,301,601	28,996,219	24,301,601	28,996,219
Laurel Crest D.M.E.	---	---	8,822	60,275	8,822	60,275
Central Park Complex	---	---	1,095,817	1,112,390	1,095,817	1,112,390
Cambria Connected	---	---	789,014	376,128	789,014	376,128
<b>Total Expenses</b>	<b>122,438,053</b>	<b>129,792,054</b>	<b>26,195,254</b>	<b>30,545,012</b>	<b>148,633,307</b>	<b>160,337,066</b>
Changes in Net Assets Transfers and Capital Contributions	5,359,280	3,327,442	(2,683,561)	(5,048,251)	2,675,719	(1,720,809)
Transfers in/(out) Primary Government	(234,467)	(258,299)	234,467	258,299	---	---
Transfers in/(out) Component Units	(3,154,629)	(2,930,286)	---	---	(3,154,629)	(2,930,286)
Capital Contributions	---	---	---	---	---	---
Change in Net Assets	1,970,184	138,857	(2,449,094)	(4,789,952)	(478,910)	(4,651,095)
Net Assets – Beginning of Year	15,676,617	15,537,760	(4,526,856)	263,096	11,149,761	15,800,856
Net Assets – End of Year	<b>\$17,646,801</b>	<b>\$15,676,617</b>	<b>\$(6,975,950)</b>	<b>\$(4,526,856)</b>	<b>\$10,670,851</b>	<b>\$11,149,761</b>

**Governmental activities revenues:** Revenues for Cambria County's governmental activities were \$127.8 million for the year ended December 31, 2009, a decrease of 4.0% from 2008. The following pie chart reflects the sources of those revenues by percent:

Revenues by Source - Governmental Activities  
For the Year Ended December 31, 2009



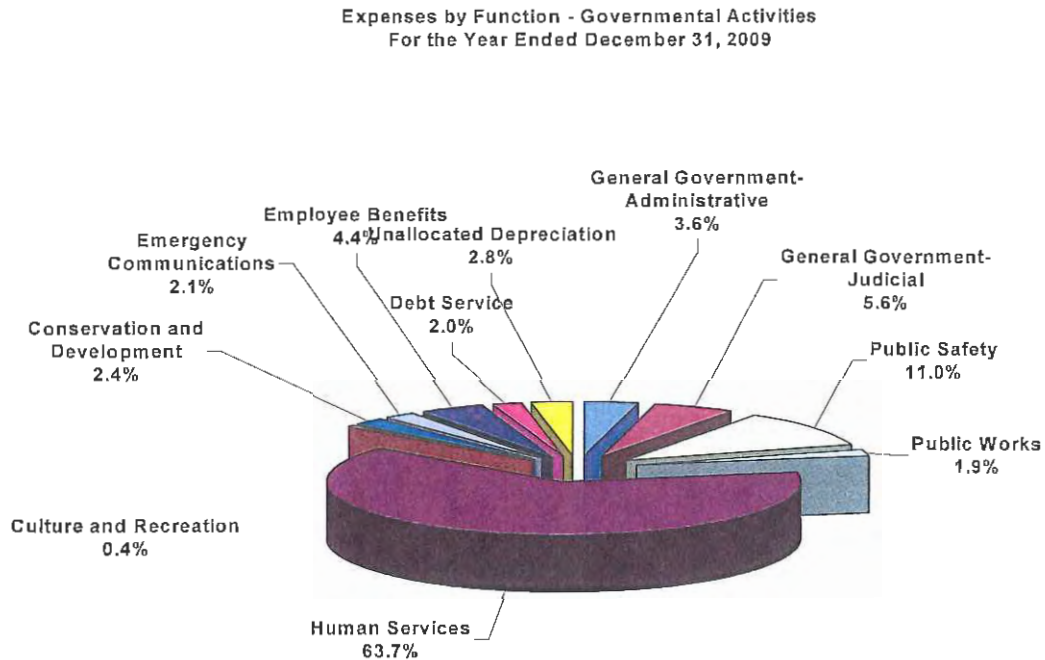
The largest source of governmental activities revenue is operating grants and contributions amounting to \$81.2 million or 63.5%. The Human Services agencies, including Mental Health/Mental Retardation, Children & Youth Services, Drug and Alcohol, Area Agency on Aging, Foster Grandparents, Human Services, and Health Choices receive the largest portion of operating grants and contributions at \$61.9 million or 76.3% of those revenues. For the most part, Human Services operating grants fund mandated services, which usually require that general fund revenue be used to fund a portion of the costs.

Taxes and payments in lieu of taxes provide the next largest source of governmental activities revenue at \$32.4 million or 25.4%. For 2009, the real estate tax rate increased 3.65 mills to 26.9 mills. Of this amount, 19.85 mills was designated for general purposes, 5.3 mills for debt service, 0.75 mill for the Penn Highlands Community College, 0.5 mill for the Cambria County Library System, and 0.5 mill for parks and playgrounds. Real estate taxes generated \$31.8 million in governmental activities revenue in 2009. In addition, the County levies a 3% hotel lodging tax. Proceeds from the hotel tax are primarily used to assist in tourist promotional activities of the Cambria County Visitors and Convention Bureau. For the year ending 2009, the hotel tax receipts amounted to \$368,291. Cambria County also receives payments in lieu of taxes from various sources. The County received \$212,679 in payments in lieu of taxes in 2008.

Charges for services amounted to \$13.6 or 10.7% million of governmental activities funding sources. Charges for services include fees, fines, licenses, permits, 9-1-1 line charges, and housing revenues at the prison and the detention/shelter facility.

Investment earnings, loss from the sale of assets, capital grants and contributions, and other revenues amounted to \$572,470 or 0.4% of governmental activities revenue.

**Governmental activities expenses:** Expenses for Cambria County's governmental activities were \$122.4 million for the year ended December 31, 2009. The chart below reflects the uses of those expenses:



As indicated by the chart, the County's human services programs comprised the largest portion of governmental activities expenses. They amounted to \$78.0 million or 63.7% for 2009.

The general government-judicial is composed of the Court of Common Pleas, Magistrates, Constables, Driving Under the Influence Fund, Law Library, and Domestic Relations. Also included are the row offices that provide services to the courts, which include the District Attorney, Public Defender, Clerk of Courts, Prothonotary, Register of Wills, and Sheriff. Expenses for general government-judicial were \$6.9 million or 5.6% in 2009.

Public Safety includes Emergency Management, HMER, SHARP, Prison, Adult Probation, Juvenile Court, and Detention/Shelter. Expenses in 2009 were 11.0% or \$13.5 million.

Employee Benefits were \$5.3 million or 4.4% of governmental activities expenses. This includes hospitalization, dental coverage, workers' compensation, life insurance, employer taxes, and unemployment.

General Government-Administrative expenses reflect costs associated with the administration of Cambria County government. These expenses were \$4.4 million or 3.6%.

Debt Service on the County's General Obligation Bonds, Lease Rental Indebtedness, and Notes were \$2.5 million or 2.0% of governmental activities expenses.

The remaining expenses of \$11.8 million or 9.7% were for Public Works, Culture and Recreation, Conservation and Development, Emergency Communications Services, and Unallocated Depreciation.

### **Funds Financial Analysis**

As noted previously, Cambria County uses fund accounting to comply with finance-related legal requirements.

**Governmental Funds:** The accounting focus of the County's governmental funds, which include the Major Funds of the General Fund, Capital Projects Fund, Mental Health/Mental Retardation Fund, Health Choices Fund, and Children and Youth Fund, is to provide information on near-term inflows, outflows and balances of expendable resources. Such information is valuable in assessing the County's financing requirements. In particular, unrestricted fund balances may serve as a useful measure of a government's net resources available for spending at the end of the year.

At December 31, 2009, the General Fund reported a fund balance of \$8.5 million, which was an increase of \$136,161 or 1.6% from the prior year's fund balance of \$8.4 million. For 2009, revenues and other financing sources exceeded expenditures and other financing uses by \$136,161.

The Capital Projects Fund is utilized to track expenses related to certain capital projects within the County. The primary source of funds is loan proceeds and grants from federal or state agencies. The fund balance at the end of 2009 was \$1.0 million. This was an increase of \$22,038 or 2.2% from December 31, 2008.

The Mental Health/Mental Retardation (MH/MR) special revenue fund maintains no fund balance. Revenues in the MH/MR fund decreased to \$20.4 million from \$27.5 million in 2008, a decrease of \$7.1 million or 26.0%.

The Health Choices Fund was added as a major governmental fund for 2008. The fund maintains a zero fund balance. Revenues in the Health Choices Fund increased \$2.2 million or 7.8% from 2008.

The Children and Youth Fund also maintains a zero fund balance. The revenue for the Children and Youth Fund decreased \$284,493 or 3.7% to \$7.5 million in 2009.

**Proprietary Funds:** Cambria County maintains four proprietary funds. Two of the funds relate to the operations of Laurel Crest Rehabilitation and Special Care Center. They are the Laurel Crest Manor Fund and the Laurel Crest D.M.E. Fund. The third proprietary fund is the Central Park Complex Fund. Created in 2007, the fourth proprietary fund is the Cambria Connected Fund. The fund financial statements for the business-type activity enterprise fund contain the same information as the government-wide statements but in greater detail.

On December 31, 2009, total net assets of the Laurel Crest Manor fund were \$(6.2) million, a decrease of \$1.8 million. The unrestricted net assets of this fund were \$(10.5) million and the investment in capital assets net of related debt was \$4.3 million. The Laurel Crest D.M.E. fund total net assets amounted to \$0 on December 31, 2009. This reflects a decrease in net assets in the amount of \$20,166 from the beginning of the year. On January 1, 2010, Cambria County completed the sale and transfer of the assets of Laurel Crest to Grane Healthcare. Proceeds, net of closing costs, amounted to \$13.37 million. Additional information on the sale of Laurel Crest can be found in Note 20 of the Notes to the Financial Statements

The net assets of the Central Park Complex (CPC) fund were \$0 on December 31, 2009. The net assets reflect that \$137,377 was unrestricted and \$(137,377) was invested in capital assets net of related debt netting to a zero balance in the fund. The county transferred \$125,193 from the CPC fund to the general fund for 2009.

The Cambria Connected fund was created to account for activities related to the County's multi-service communications network. The network provides voice, video, and high-speed data communications to businesses, residents, educational institutions, and government. The net assets of the Cambria Connected fund were \$(807,742) on December 31, 2009. This reflects a decrease in net assets of \$608,354 or 305.1% from 2008. The unrestricted net assets was \$(1,096,962) and the investment in capital assets net of related debt was \$289,220.

## **General Fund Budgetary Highlights**

This section provides a summary of the major factors involved in the variances in the General Fund revenue and expenditure budgets. The summary provides a comparison between the original budget and the final amended budget. It also provides a comparison between the final amended budget and the actual amounts for the general fund. The following narrative should be read in conjunction with the Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual-General Fund in the audit report.

The original budgeted general fund revenue was \$50.5 million in 2009 and \$45.5 million in 2008. The final budgeted general fund revenue was \$52.2 million in 2009 and \$50.0 million in 2008. The actual revenue received during 2009 was \$49.9 million. The following are negative variances in final budgeted revenue to actual revenue during 2009: actual charges for services was \$1,252,017 or 13.4% less than budgeted, actual interest and investment income was \$147,974 or 58.5% less than budgeted, and actual intergovernmental revenue was \$1,274,164 or 12.0% less than budgeted. Actual real estate tax revenue exceeded the budgeted amount by \$260,979 or 0.8%. Other revenue also had a positive final budget variance of \$138,309 or 22.3%.

The original budgeted general fund expenditure amounts were \$39.8 million in 2009 and \$36.8 million in 2008. The final budgeted general fund expenditure amounts were \$41.5 million in 2009 and \$41.4 million in 2008. The actual expenditures were \$40.4 million for 2009. Positive variances were in general government-administrative for \$838,240 or 14.8%, culture and recreation for \$181,402 or 22.8%, conservation and development for \$456,581 or 30.4%, general government – judicial for \$130,448 or 2.0%, public safety for \$319,850 or 2.3%, public works for \$9,214 or 1.1%, human services for \$181,402 or 22.8%, and employee benefits for \$125,648 or 2.4%. Negative variances were in debt service for \$14,781 or 7.2%, and capital projects for \$994,565. A capital project for voice over internet protocol equipment was not included in the 2009 budget.

The original budgeted operating transfers in were \$0.9 million in 2009 and \$1.0 million in 2008. The final budgeted operating transfers in were \$0.9 million in 2009 and \$1.0 million in 2008. For 2009, the actual operating transfers in were \$1.1 million or 26.6% over budget. The original budgeted operating transfers out were \$11.6 million in 2009 and \$9.7 million in 2008. The final budgeted operating transfers out were \$11.6 million in 2009 and \$9.7 million in 2008. The actual operating transfers out were \$11.5 million or 0.5% under budget in 2009. Proceeds from a capital lease were not budgeted in 2009. The actual proceeds from the capital lease were \$994,565 for 2009.

Overall, the general fund had an excess of revenues and other financing sources over/(under) expenditures and other financing uses of \$136,161 for the year ending December 31, 2009.

## Capital Assets and Debt Administration

### Capital Assets:

The County's investment in capital assets at December 31, 2009, net of accumulated depreciation, amounted to \$81.6 million. This was a decrease of \$444,531 or 0.54% from the previous year. The following table summarizes the County's investment in capital assets:

Summary of Capital Assets			
	Governmental Activities	Business-type Activities	Balance at December 31, 2009
Construction-in-progress	\$ 2,954,125	\$ 347,765	\$ 3,301,890
Land	---	383,046	383,046
Site/land improvements	3,251,454	747,870	3,999,324
Infrastructure	13,164,464	---	13,164,464
Building and permanent fixtures	49,831,124	38,361,879	88,193,003
Office furniture and equipment	1,312,985	---	1,312,985
General equipment	2,177,951	---	2,177,951
Machinery and equipment	---	9,963,972	9,963,972
Radio equipment	7,686,311	---	7,686,311
Computer hardware and software	6,882,126	---	6,882,126
Vehicles	4,209,157	---	4,209,157
Less accumulated depreciation	(34,387,746)	(25,275,043)	(59,662,789)
Total	\$ 57,081,951	\$ 24,529,489	\$ 81,611,440

Highlights of the amounts expended during 2009 for major capital assets include:

- In 2008, the County contracted with CLT Efficient Technologies Group to repair lines that provide steam to Laurel Crest and the Cambria County Services Building for heat and laundry operations. The steam line was constructed during the late 1980's in a cooperative agreement with Cambria Cogen to utilize the steam generated by the cogeneration plant to heat county facilities. Repairs amounted to \$645,891 during 2008. The repairs were completed during 2009.
- During 2007, the County began construction of network infrastructure to support public safety/9-1-1 communication needs and to provide broadband internet availability to businesses, residents, educational institutions, and government within the County. In addition, the network will have Wi-Fi capabilities at various locations throughout the County. Expenditures for this project amounted to \$8.3 million during 2007 and \$2.5 million during 2008. Construction continued into 2009.



- In 2009, the County contracted with Intertech Security LLC for security upgrades at the prison at a cost of \$2,020,00. The upgrades included the command and control center, cameras, intercommunication system, and access control. During 2009, \$1,750,000 was expended on the project.
- The County converted its phone system to a Voice over Internet Protocol (VoIP) system utilizing the Cambria Connected network. Capital expenditures in the amount of \$994,565 were incurred for equipment during 2009.

Additional detailed information on the County's capital assets can be found in Note 6 of the Notes to the Financial Statements.

### **Long-term Debt:**

The Commonwealth of Pennsylvania Local Government Unit Debt Act governs the amount of bonded indebtedness the County can incur. Under this act, the County can legally incur nonelectoral debt equal to three hundred percent of its borrowing base. The borrowing base is calculated as one third of total revenues for the past three years minus certain statutory deductions.

As of December 31, 2009, Cambria County had outstanding debt and capital lease obligations of \$69.6 million. During 2009, the County's general obligation bonds, notes and capital leases decreased by \$1.1 million or 1.5%.

In January 2009, the County entered into a lease purchase agreement with Laurel Capital Corporation for additional energy savings improvements to the steam line providing heat to Laurel Crest and the Cambria County Services Building. The \$170,000 lease is amortized seven years at the rate of 4.33%.

To facilitate the conversion of the County's telephone system to Voice over Internet Protocol (VoIP), the County entered into a lease purchase agreement with HP Financial Services for equipment in the amount of \$994,565. The February 2009 lease is for 36 months at the rate of 5.91%.

On April 1, 2009, the County entered into a lease purchase agreement with Bank Capital Services for security upgrades at the prison. The \$2,020,000 lease is amortized over seven years with an interest rate of 4.33%.

Additional detailed information on the County's long-term debt can be found in Note 11 and the capital leases in Note 12 of the Notes to the Financial Statements.



## **Economic Factors and 2010 Budgets**

- On July 7, 2003, Standard & Poor's Ratings Services downgraded the County's bond rating from BBB- to B. Standard & Poor's cited various reasons for the downgrade including significant deterioration on the county's financial position and a limited economic base. Following a review of the County's finances and economic climate, a December 6, 2004 report from Standard & Poor's retained the 'B' rating, but revised the rating outlook to stable from negative. After another review of the County, Standard & Poor's September 6, 2005 report upgraded the County's bond rating to BB with a stable outlook. Since then, the rating has remained at BB. The County intends to request a review of the rating in 2010.
- As of April 2010, the County's unemployment rate was 9.7%, which was up from 8.7% in April 2009. The Commonwealth's rate was 9.0% and the national rate was 9.9% for April 2010.
- The County's taxable assessed value on real estate increased \$13.6 million or 1.1% from 2009 to 2010.

For fiscal year 2010, the County's real property tax rate remained at 26.9 mills. The tax rate for general purpose is 20.9 mills, debt service is 4.0 mills, parks and playgrounds purposes is 0.5 mill, and the community college and the library millage is 1.0 and 0.5, respectively. For 2010, the County issued a Tax and Revenue Anticipation Note with First National Bank in the amount of \$6.0 million at 2.39% with a maturity date of December 31, 2010.

## **Requests for Information**

This financial report is designed to provide our citizens, taxpayers, investors, customers, and creditors with a general overview of Cambria County's finances. Questions regarding this report or requests for additional financial information should be directed to Michael Gelles, IV, Chief Clerk/Finance Director, County of Cambria, 200 S. Center St., Ebensburg, PA 15931.



215 Main Street  
Johnstown, PA 15901  
814-536-7864  
Fax: 814-535-4332  
[www.wesselepa.com](http://www.wesselepa.com)

## INDEPENDENT AUDITOR'S REPORT

June 28, 2010

Board of Commissioners  
County of Cambria  
Ebensburg, Pennsylvania

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Cambria, Pennsylvania, as of and for the year ended December 31, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Cambria, Pennsylvania's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the component units, all of which are discretely presented component units. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the component units is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Cambria County Library Association and Behavioral Health of Cambria County, both discretely presented component units, were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Cambria, Pennsylvania, as of December 31, 2009, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 28, 2010, on our consideration of the County of Cambria, Pennsylvania's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis beginning on page III and budgetary comparison information on pages 67 through 71 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the *Government Accounting Standards Board*, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Cambria, Pennsylvania's basic financial statements. The employee retirement plan analysis of funding and the combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

  
WESSEL & COMPANY  
Certified Public Accountants

COUNTY OF CAMBRIA  
GOVERNMENT-WIDE STATEMENT OF NET ASSETS  
DECEMBER 31, 2009

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS:</b>				
<b>Current Assets:</b>				
Cash and cash equivalents (Note 2)	\$ 17,073,540	\$ 326,701	\$ 17,400,241	\$ 12,213,878
Investments (Note 2)	-	-	-	907,373
Restricted cash (Note 3)	602,298	221,985	824,283	-
Restricted investments	-	-	-	480,876
Receivables (net of allowance for uncollectibles)				
Accounts	1,867,753	2,217,475	4,085,228	415,607
Taxes (Note 4)	3,398,758	-	3,398,758	-
Due from other governments (Note 5)	12,261,554	-	12,261,554	5,772,648
Prepaid expenses and other assets	375,455	5,279	380,734	603,959
Internal balances (Note 1k)	(3,389,165)	3,389,165	-	-
Inventory	-	-	-	460,886
Total Current Assets	32,190,193	6,160,605	38,350,798	20,855,227
<b>Non-Current Assets:</b>				
Deferred loan costs	120,806	280,719	401,525	114,838
Fixed assets net of accumulated depreciation (Note 6)	57,081,951	24,529,489	81,611,440	52,340,207
Total Non-Current Assets	57,202,757	24,810,208	82,012,965	52,455,045
Total Assets	\$ 89,392,950	\$ 30,970,813	\$ 120,363,763	\$ 73,310,272
<b>LIABILITIES:</b>				
<b>Current Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 12,625,981	\$ 2,080,888	\$ 14,706,869	\$ 2,265,597
Deferred revenues (Note 1f)	4,412,152	13,926,749	18,338,901	6,971,421
Due to other governments (Note 5)	31,847	-	31,847	5,208,309
Custodial payable	450,610	221,985	672,595	-
Compensated absences (Note 11 and 14)	1,744,515	10,165	1,754,680	-
Notes payable (Note 11)	5,469,636	-	5,469,636	49,503
Bonds payable (Note 11)	1,224,288	215,712	1,440,000	-
Obligations under capital leases (Note 12)	314,184	809,911	1,124,095	72,019
Accrued interest	578,008	284,604	862,612	-
Other liabilities	3,847	-	3,847	-
Total Current Liabilities	26,855,068	17,550,014	44,405,082	14,566,849
<b>Non-Current Liabilities:</b>				
Compensated absences (Note 11 and 14)	637,071	4,384	641,455	-
Due to other governments (Note 5)	-	-	-	211,738
Notes payable (Note 11)	10,864,678	-	10,864,678	3,962,589
Bonds payable (Note 11)	24,302,628	4,282,372	28,585,000	-
Estimated workers' compensation claim (Note 9 and 11)	1,054,300	1,349,980	2,404,280	-
OPEB obligation (Note 8 and 11)	639,024	-	639,024	-
Obligations under capital leases (Note 12)	7,393,380	14,760,013	22,153,393	113,443
Total Non-Current Liabilities	44,891,081	20,396,749	65,287,830	4,287,770
Total Liabilities	71,746,149	37,946,763	109,692,912	18,854,619
<b>NET ASSETS:</b>				
Investments in capital assets, net of related debt	7,055,955	4,457,592	11,513,547	48,142,653
Unrestricted	10,583,791	(11,433,542)	(849,751)	4,464,344
Restricted - (Note 1m)	7,055	-	7,055	1,848,656
Total Net Assets	17,646,801	(6,975,950)	10,670,851	54,455,653
Total Liabilities and Net Assets	\$ 89,392,950	\$ 30,970,813	\$ 120,363,763	\$ 73,310,272

See Independent Auditor's Report and Accompanying Notes to Financial Statements

COUNTY OF CAMBRIA  
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2009

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets		
		Charges for Services	Operating Grants and Contribution	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental Activities:							
General government - administrative	\$ 4,414,594	\$ 1,069,922	\$ -	\$ -	\$ (3,344,672)	\$ -	\$ (3,344,672)
General government - judicial	6,857,628	3,582,106	2,774,050	-	(501,472)	-	(501,472)
Public safety	13,486,237	3,994,968	4,484,780	-	(5,006,489)	-	(5,006,489)
Public works	2,371,516	-	762,434	-	(1,609,082)	-	(1,609,082)
Human services	78,045,219	3,406,013	69,401,258	-	(5,237,948)	-	(5,237,948)
Culture and recreation	498,750	40,059	-	-	(458,691)	-	(458,691)
Conservation and development	2,987,502	472,777	2,091,887	-	(422,838)	-	(422,838)
Emergency communication services	2,550,450	1,071,466	1,648,622	317,302	486,940	-	486,940
Employee benefits	5,336,895	-	-	-	(5,336,895)	-	(5,336,895)
Debt service	2,456,744	-	-	-	(2,456,744)	-	(2,456,744)
Unallocated depreciation	3,432,518	-	-	-	(3,432,518)	-	(3,432,518)
Total Governmental Activities	122,438,053	13,637,311	81,163,031	317,302	(27,320,409)	-	(27,320,409)
Business-type Activities:							
Laurel Crest Manor	24,301,601	22,480,902	-	-	-	(1,820,699)	(1,820,699)
Laurel Crest D.M.E.	8,822	75,463	-	-	-	66,641	66,641
Central Park Complex	1,095,817	774,484	-	-	-	(321,333)	(321,333)
Cambria Connect	789,014	88,317	-	-	-	(700,697)	(700,697)
Total Business-type Activities	26,195,254	23,419,166	-	-	-	(2,776,088)	(2,776,088)
Total Primary Government	\$ 148,633,307	\$ 37,056,477	\$ 81,163,031	\$ 317,302	\$ (27,320,409)	\$ (2,776,088)	\$ (30,096,497)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					\$ 24,133,457	\$ -	\$ 24,133,457
Property Taxes, Levied for Debt Retirement					6,179,051	-	6,179,051
Property Taxes, Levied for Community College					909,310	-	909,310
Property Taxes, Levied for County Library					621,733	-	621,733
Payments in Lieu of Taxes					212,679	-	212,679
County Hotel Lodging Taxes					368,291	-	368,291
(Loss) from Sale of Assets					(45,600)	-	(45,600)
Transfers in/(out) primary government					(234,467)	234,467	-
Transfers in/(out) component units					(3,154,629)	-	(3,154,629)
Unrestricted Investment Earnings					167,323	1,026	168,349
Other Revenues					133,445	91,501	224,946
Total General Revenues and Transfers					29,290,593	326,994	29,617,587
Change in Net Assets Before Capital Contributions					1,970,184	(2,449,094)	(478,910)
Capital Contributions					-	-	-
Total Change in Net Assets					1,970,184	(2,449,094)	(478,910)
Net Assets - Beginning of Year					15,676,617	(4,526,856)	11,149,761
Net Assets - End of Year					\$ 17,646,801	\$ (6,975,950)	\$ 10,670,851

See Independent Auditor's Report and Accompanying Notes to Financial Statements

COUNTY OF CAMBRIA  
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2009

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets
		Charges for Services	Operating Grants and Contribution	Capital Grants and Contributions	Component Units
Component Units:					
Governmental Activities:					
Redevelopment Authority	\$ 2,770,499	\$ 322,461	\$ 2,426,182	\$ -	\$ (21,856)
Conservation and Recreation Authority	283,863	-	42,693	-	(241,170)
Library Association	1,922,694	56,797	1,506,140	-	(359,757)
Total Component Unit Governmental Activities	4,977,056	379,258	3,975,015	-	(622,783)
Business-type Activities:					
Planning Commission	287,964	222,772	-	-	(65,192)
Municipal Airport Authority	1,989,435	304,222	89,085	-	(1,596,128)
Transit Authority	9,284,293	950,785	5,532,157	-	(2,801,351)
Solid Waste Management Authority	455,717	4,808	77,600	-	(373,309)
Community College	13,617,778	4,425,582	8,499,100	-	(693,096)
Behavioral Health of Cambria County	28,595,763	9,900	28,837,263	-	251,400
War Memorial Arena Authority	-	-	-	-	-
Total Component Unit Business-type Activities	54,230,950	5,918,069	43,035,205	-	(5,277,676)
Total Component Units	\$ 59,208,006	\$ 6,297,327	\$ 47,010,220	\$ -	\$ (5,900,459)
General Revenues:					
Loss from Sale of Assets					\$ (80,018)
Unrestricted Investment Earnings					153,887
Other Revenues					1,019,814
Transfers from Primary Government					3,154,629
Total General Revenues and Transfers					4,248,312
Change in Net Assets					(1,652,147)
Capital Contributions					2,756,933
Net Assets - Beginning of Year					53,305,486
Prior Period Adjustment					45,381
Net Assets - Beginning of Year, as restated					53,350,867
Net Assets - End of Year					\$ 54,455,653

See Independent Auditor's Report and Accompanying Notes to Financial Statements

COUNTY OF CAMBRIA  
BALANCE SHEET - GOVERNMENTAL FUNDS  
(INCLUDING THE RECONCILIATION OF TOTAL GOVERNMENTAL  
FUND BALANCE TO NET ASSETS OF GOVERNMENTAL ACTIVITIES)  
DECEMBER 31, 2009

	Major Funds					Other Nonmajor Governmental Funds	Totals
	General	Capital Projects	MH/MR	Health Choices Fund	Children and Youth Fund		
<b>ASSETS:</b>							
Cash and cash equivalents	\$ 15,668,646	\$ 8,842	\$ 51,787	\$ -	\$ 2,754	\$ 1,341,508	\$ 17,073,537
Restricted cash	157,424	-	-	-	-	444,874	602,298
Receivables (net of allowance for uncollectibles)							
Accounts	1,108,998	-	494,996	-	-	263,759	1,867,753
Taxes	3,398,758	-	-	-	-	-	3,398,758
Due from other governments	193,373	-	914,751	5,871,558	3,549,707	1,718,321	12,247,710
Prepaid expenses and other assets	362,587	-	-	-	12,868	-	375,455
Due from other funds (Note 1k)	9,084,742	999,866	1,097,326	-	-	4,405,738	15,587,672
<b>Total Assets</b>	<b>\$ 29,974,528</b>	<b>\$ 1,008,708</b>	<b>\$ 2,558,860</b>	<b>\$ 5,871,558</b>	<b>3,565,329</b>	<b>\$ 8,174,200</b>	<b>\$ 51,153,183</b>
<b>LIABILITIES:</b>							
Accounts payable and accrued liabilities	\$ 4,231,636	\$ -	\$ 825,276	\$ 5,871,558	\$ 586,531	\$ 1,110,967	\$ 12,625,968
Deferred revenues	2,721,725	-	1,733,584	-	555,043	2,123,525	7,133,877
Payable from restricted assets	450,610	-	-	-	-	-	450,610
Other liabilities	3,847	-	-	-	-	-	3,847
Due to other governments	-	-	-	-	31,847	-	31,847
Due to other funds (Note 1k)	14,021,767	-	-	-	2,391,908	2,549,316	18,962,991
<b>Total Liabilities</b>	<b>21,429,585</b>	<b>-</b>	<b>2,558,860</b>	<b>5,871,558</b>	<b>3,565,329</b>	<b>5,783,808</b>	<b>39,209,140</b>
<b>FUND BALANCES</b>							
Unreserved fund balance/(deficit)	6,305,714	1,008,708	-	-	-	2,390,392	9,704,814
Restricted for:							
Laurel Crest (Note 20)	2,232,174	-	-	-	-	-	2,232,174
Library (Note 1l)	7,055	-	-	-	-	-	7,055
<b>Total Fund Balance</b>	<b>8,544,943</b>	<b>1,008,708</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,390,392</b>	<b>11,944,043</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 29,974,528</b>	<b>\$ 1,008,708</b>	<b>\$ 2,558,860</b>	<b>\$ 5,871,558</b>	<b>\$ 3,565,329</b>	<b>\$ 8,174,200</b>	<b>\$ 51,153,183</b>

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

Long-term liabilities, including bonds payable, other post-employment benefits, accrued interest on bonds and compensated absences are not due and payable in the current period and therefore are not reported as a fund liability	\$ (53,457,085)
The difference in net assets between full accrual accounting and modified accrual accounting due to differing revenue recognition criteria between the two methods	2,721,725
Capital assets in governmental activities are not financial resources and, therefore, are not reported in the funds	56,438,118
Net assets of governmental activities	<u>\$ 17,646,801</u>

See Independent Auditor's Report and Accompanying Notes to Financial Statements

COUNTY OF CAMBRIA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009

	Major Funds					Other Nonmajor Governmental Funds	Totals
	General	Capital Projects	MH/MR	Health Choices Fund	Children and Youth Fund		
<b>Revenues</b>							
Real estate taxes	\$ 31,705,086	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,705,086
Charges for services	8,072,904	-	2,695,461	-	151,537	2,672,315	13,592,217
Interest and investment income	105,026	1,836	25,784	-	57	34,620	167,323
Intergovernmental revenues	9,303,034	-	17,602,460	30,497,779	7,336,542	14,081,198	78,821,013
Other income	758,616	-	66,418	-	644	2,293,574	3,119,252
<b>Total Revenues</b>	<b>49,944,666</b>	<b>1,836</b>	<b>20,390,123</b>	<b>30,497,779</b>	<b>7,488,780</b>	<b>19,081,707</b>	<b>127,404,891</b>
<b>Expenditures</b>							
General government - administrative	4,839,387	-	-	-	-	-	4,839,387
General government - judicial	6,439,850	-	-	-	-	547,473	6,987,323
Public safety	13,486,026	-	-	-	-	-	13,486,026
Public works	854,923	-	-	-	-	2,786,059	3,640,982
Human services	6,752,035	-	20,765,123	30,497,779	8,501,224	13,132,868	79,649,029
Culture and recreation	613,416	-	-	-	-	500,368	1,113,784
Conservation and development	1,045,369	-	-	-	-	2,134,874	3,180,243
Employee benefits	5,145,390	-	-	-	-	-	5,145,390
Emergency communication services	-	-	-	-	-	2,556,232	2,556,232
Debt service	219,081	-	-	-	-	5,181,396	5,400,477
Capital projects	994,565	1,772,299	-	-	-	-	2,766,864
<b>Total Expenditures</b>	<b>40,390,042</b>	<b>1,772,299</b>	<b>20,765,123</b>	<b>30,497,779</b>	<b>8,501,224</b>	<b>26,839,270</b>	<b>128,765,737</b>
<b>Excess/(Deficiency) of Revenues Over/(Under) Expenditures</b>	<b>9,554,624</b>	<b>(1,770,463)</b>	<b>(375,000)</b>	<b>-</b>	<b>(1,012,444)</b>	<b>(7,757,563)</b>	<b>(1,360,846)</b>
<b>Other Financing Sources/(Uses)</b>							
Proceeds from Capital Lease	994,565	1,792,501	-	-	-	-	2,787,066
Operating transfers in	1,119,596	-	375,000	-	1,012,444	10,042,771	12,549,811
Operating transfers (out)	(11,532,624)	-	-	-	-	(1,251,654)	(12,784,278)
<b>Total Other Financing Sources/(Uses)</b>	<b>(9,418,463)</b>	<b>1,792,501</b>	<b>375,000</b>	<b>-</b>	<b>1,012,444</b>	<b>8,791,117</b>	<b>2,552,599</b>
<b>(Deficiency)/Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses</b>	<b>136,161</b>	<b>22,038</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,033,554</b>	<b>1,191,753</b>
<b>Fund Balance/(Deficit) - Beginning of Year</b>	<b>8,408,782</b>	<b>986,670</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,356,838</b>	<b>10,752,290</b>
<b>Fund Balance/(Deficit) - End of Year</b>	<b>\$ 8,544,943</b>	<b>\$ 1,008,708</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,390,392</b>	<b>\$ 11,944,043</b>



COUNTY OF CAMBRIA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2009

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

Net change in fund balance - total governmental funds (page 7)	\$ 1,191,753
 The compensated absences portion of accrued wages and benefits in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	 (277,894)
 The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of the differences in the treatment of long-term debt on the statement of activities	 (13,705)
 Accrued interest expense in the statement of activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds	 24,985
 The Other Post Employment Benefit (OPEB) obligation in the statement of activities do no require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	 (23,237)
 The difference in the change in net assets between full accrual accounting and modified accrual accounting due to differing revenue recognition criteria between the two accounting methods	 351,144
 The net effect of various transactions involving capital assets, (i.e. purchases, disposals, etc.) is to increase net assets	 <u>717,138</u>
 Change in net assets of governmental activities (page 4)	 <u>\$ 1,970,184</u>

See Independent Auditor's Report and Accompanying Notes to Financial Statements

COUNTY OF CAMBRIA  
 PROPRIETARY FUNDS  
 STATEMENT OF NET ASSETS  
 DECEMBER 31, 2009

	Business-type Activities - Enterprise Funds				
	Laurel Crest Manor Fund	Laurel Crest D.M.E. Fund	Central Park Complex	Cambria Connected	Total
<b>ASSETS</b>					
Current Assets					
Cash and cash equivalents	\$ 100	\$ -	\$ 6,644	\$ 319,957	\$ 326,701
Restricted cash	221,985	-	-	-	221,985
Accounts receivable	2,194,727	-	10,842	11,906	2,217,475
Prepaid expenses and other assets	-	-	5,279	-	5,279
Due from other funds	13,793,252	-	156,044	996,689	14,945,985
<b>Total Current Assets</b>	<b>16,210,064</b>	<b>-</b>	<b>178,809</b>	<b>1,328,552</b>	<b>17,717,425</b>
Non-current Assets					
Deferred loan costs	179,381	-	61,242	40,096	280,719
Fixed assets (net of accumulated depreciation and amortization)	15,627,545	-	4,387,141	4,514,803	24,529,489
<b>Total Assets</b>	<b>\$ 32,016,990</b>	<b>\$ -</b>	<b>\$ 4,627,192</b>	<b>\$ 5,883,451</b>	<b>\$ 42,527,633</b>
<b>LIABILITIES AND NET ASSETS</b>					
Current Liabilities					
Accounts payable and accrued liabilities	\$ 2,045,454	\$ -	\$ 26,883	\$ 8,547	\$ 2,080,884
Accrued interest	-	-	87,676	196,928	284,604
Deferred revenue	13,793,250	-	-	133,499	13,926,749
Compensated absences	-	-	10,165	-	10,165
Custodial payable	221,985	-	-	-	221,985
Bonds payable	-	-	215,712	-	215,712
Obligation under capital lease	571,351	-	-	238,560	809,911
Due to other funds	9,273,352	-	-	2,283,468	11,556,820
<b>Total Current Liabilities</b>	<b>25,905,392</b>	<b>-</b>	<b>340,436</b>	<b>2,861,002</b>	<b>29,106,830</b>
Non-current Liabilities					
Compensated absences	-	-	4,384	-	4,384
Obligation under capital lease	10,929,826	-	-	3,830,191	14,760,017
Bonds payable	-	-	4,282,372	-	4,282,372
Estimated workers' compensation claims	1,349,980	-	-	-	1,349,980
<b>Total Liabilities</b>	<b>38,185,198</b>	<b>-</b>	<b>4,627,192</b>	<b>6,691,193</b>	<b>49,503,583</b>
Net Assets					
Investment in capital assets net of related debt	4,305,749	-	(137,377)	289,220	4,457,592
Unrestricted	(10,473,957)	-	137,377	(1,096,962)	(11,433,542)
<b>Total Net Assets</b>	<b>(6,168,208)</b>	<b>-</b>	<b>-</b>	<b>(807,742)</b>	<b>(6,975,950)</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 32,016,990</b>	<b>\$ -</b>	<b>\$ 4,627,192</b>	<b>\$ 5,883,451</b>	<b>\$ 42,527,633</b>

See Independent Auditor's Report and  
 Accompanying Notes to Financial Statements

COUNTY OF CAMBRIA  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009

	Business-type Activities - Enterprise Funds				
	Laurel Crest Manor Fund	Laurel Crest D.M.E. Fund	Central Park Complex	Cambria Connected	Total
Operating Revenues:					
Net patient service revenue	\$ 22,480,902	\$ 75,463	\$ -	\$ -	\$ 22,556,365
Charges for service	-	-	-	88,317	88,317
Rental income	-	-	774,484	-	774,484
Total Operating Revenues	<u>22,480,902</u>	<u>75,463</u>	<u>774,484</u>	<u>88,317</u>	<u>23,419,166</u>
Operating Expenses:					
Patient care	22,657,901	8,822	-	-	22,666,723
Depreciation and amortization	1,084,339	-	223,962	310,786	1,619,087
Maintenance and operating	-	-	632,113	298,478	930,591
Total Operating Expenses	<u>23,742,240</u>	<u>8,822</u>	<u>856,075</u>	<u>609,264</u>	<u>25,216,401</u>
Operating Income/(Loss)	(1,261,338)	66,641	(81,591)	(520,947)	(1,797,235)
Non-Operating Revenues/(Expenses):					
Investment income	125	-	59	842	1,026
Other income	-	-	-	91,501	91,501
Interest expense	(559,361)	-	(239,742)	(179,750)	(978,853)
Total Non-Operating Revenues/(Expenses)	<u>(559,236)</u>	<u>-</u>	<u>(239,683)</u>	<u>(87,407)</u>	<u>(886,326)</u>
Income/(Loss) Before Transfers	(1,820,574)	66,641	(321,274)	(608,354)	(2,683,561)
Other Financing Sources/(Uses):					
Operating transfers in	828,706	-	446,467	-	1,275,173
Operating transfers (out)	(828,706)	(86,807)	(125,193)	-	(1,040,706)
Total Other Financing Sources/(Uses)	<u>-</u>	<u>(86,807)</u>	<u>321,274</u>	<u>-</u>	<u>234,467</u>
Change in Net Assets	(1,820,574)	(20,166)	-	(608,354)	(2,449,094)
Net assets - Beginning of Year	(4,347,634)	20,166	-	(199,388)	(4,526,856)
Net Assets - End of Year	<u>\$ (6,168,208)</u>	<u>\$ -</u>	<u>-</u>	<u>\$(807,742)</u>	<u>\$ (6,975,950)</u>

See Independent Auditor's Report and  
Accompanying Notes to Financial Statements

COUNTY OF CAMBRIA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009

	Business-type Activities - Enterprise Funds				Total
	Laurel Crest Manor Fund	Laurel Crest D.M.E. Fund	Central Park Complex	Cambria Connected	
Cash Flows From Operating Activities					
Cash received from patients	\$ 23,657,882	\$ 146,246	\$ -	\$ -	\$ 23,804,128
Cash received from customers	-	-	771,452	90,056	861,508
Cash payments to employees for services	(12,258,966)	-	(177,757)	-	(12,436,723)
Cash payments to suppliers for goods and services	(12,429,336)	-	(468,296)	(309,893)	(13,207,525)
Cash payments for other operating expenses	-	(8,822)	-	-	(8,822)
Net Cash (Used For)/Provided By Operating Activities	(1,030,420)	137,424	125,399	(219,837)	(987,434)
Cash Flows From Non-Capital Financing Activities					
Transfers in from other funds	828,706	-	446,467	-	1,275,173
Transfers out to other funds	(828,706)	(86,807)	(125,193)	-	(1,040,706)
Net Cash (Used For)/Provided By Non-Capital Financing Activities	-	(86,807)	321,274	-	234,467
Cash Flows From Capital and Related Financing Activities					
Note Proceeds	127,500	-	-	-	127,500
Purchase of property and equipment	(424,483)	-	-	(365,453)	(789,936)
Payment on debt (net)	(542,055)	-	(207,162)	(115,480)	(864,697)
Interest paid	(602,170)	-	(243,291)	17,178	(828,283)
Proceeds from sale of assets	13,766,250	-	-	-	13,766,250
Net (decrease)/increase in interfund payables	(11,347,859)	(50,617)	3,401	338,139	(11,056,936)
Proceeds from capital grant	-	-	-	225,000	225,000
Net Cash Provided By/(Used For) Capital and Related Financing Activities	977,183	(50,617)	(447,052)	99,384	578,898
Cash Flows From Investing Activities					
Interest on cash equivalents	125	-	59	842	1,026
Use of Restricted Investments	-	-	-	439,568	439,568
Net Cash Provided By Investing Activities	125	-	59	440,410	440,594
Net (Decrease)/Increase in Cash and Cash Equivalents	(53,112)	-	(320)	319,957	266,525
Cash and Cash Equivalents Beginning of Year	53,212	-	6,964	-	60,176
Cash and Cash Equivalents at End of Year	\$ 100	\$ -	\$ 6,644	\$ 319,957	\$ 326,701

COUNTY OF CAMBRIA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009

	Business-type Activities - Enterprise Funds				Total
	Laurel Crest Manor Fund	Laurel Crest D.M.E. Fund	Central Park Complex	Cambria Connect	
<b>Reconciliation of Operating Income to Net Cash Provided By Operating Activities:</b>					
Operating Income/(Loss)	\$ (1,261,338)	\$ 66,641	\$ (81,591)	\$ (520,947)	\$ (1,797,235)
Adjustments to reconcile operating income to net cash provided by/(used in) operating activities:					
Depreciation and amortization	1,084,339	-	223,962	310,786	1,619,087
Changes in assets and liabilities:					
Decrease/(Increase) in accounts receivable	1,170,279	70,783	(3,032)	1,739	1,239,769
Decrease in restricted assets	353,937	-	-	-	353,937
Decrease in prepaid expense	93,809	-	850	-	94,659
(Decrease) in accounts payable	(376,821)	-	(15,004)	(11,415)	(403,240)
(Decrease) in payable from restricted assets	(353,937)	-	-	-	(353,937)
(Decrease)/Increase in accrued vacation	(1,089,671)	-	214	-	(1,089,457)
(Decrease) in OPEB obligation	(314,183)	-	-	-	(314,183)
(Decrease) in estimated workers' compensation claims	(336,834)	-	-	-	(336,834)
Total Adjustments	230,918	70,783	206,990	301,110	809,801
Net Cash (Used For)/Provided By Operating Activities	\$ (1,030,420)	\$ 137,424	\$ 125,399	\$ (219,837)	\$ (987,434)

See Independent Auditor's Report and  
Accompanying Notes to Financial Statements

COUNTY OF CAMBRIA  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
DECEMBER 31, 2009

	Non-AFDC IRS Fund	Prison Resident Fund	Prison Canteen Fund	Recorder of Deeds
<u>ASSETS</u>				
Assets				
Cash and cash equivalents	\$ 11,355	\$ 37,975	\$ 15,601	\$ 488,045
Investments	-	-	16,362	-
Restricted assets:				
Cash	-	-	-	29,023
Investments	-	-	-	-
Accounts receivable	-	-	-	185
Total Assets	<u>\$ 11,355</u>	<u>\$ 37,975</u>	<u>\$ 31,963</u>	<u>\$ 517,253</u>
<u>LIABILITIES AND NET ASSETS</u>				
Liabilities				
Due to other governments	\$ -	\$ -	\$ -	\$ 475,024
Other liabilities	11,355	37,975	-	42,229
Due to other funds	-	-	-	-
Total Liabilities	<u>11,355</u>	<u>37,975</u>	<u>-</u>	<u>517,253</u>
Net Assets				
Held in trust for the prison canteen (Note 1m)	-	-	31,963	-
Held in trust for workers' compensation (Note 1m)	-	-	-	-
Held in trust for pension benefits (Note 1m)	-	-	-	-
Total Net Assets	<u>-</u>	<u>-</u>	<u>31,963</u>	<u>-</u>
Total Liabilities and Net Assets	<u>\$ 11,355</u>	<u>\$ 37,975</u>	<u>\$ 31,963</u>	<u>\$ 517,253</u>

See Independent Auditor's Report and  
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COUNTY OF CAMBRIA  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
DECEMBER 31, 2009

	Registrar of Wills	Sheriff's Office	Office of the Prothonotary
<u>ASSETS</u>			
Assets			
Cash and cash equivalents	\$ 69,622	\$ 556,736	\$ 573,838
Investments	-	-	-
Restricted assets:			
Cash	-	-	-
Investments	-	-	-
Accounts receivable	-	-	-
Total Assets	<u>\$ 69,622</u>	<u>\$ 556,736</u>	<u>\$ 573,838</u>
<u>LIABILITIES AND NET ASSETS</u>			
Liabilities			
Due to other governments	\$ 37,130	\$ 70,111	\$ 4,043
Other liabilities	32,492	486,625	569,795
Due to other funds	-	-	-
Total Liabilities	<u>69,622</u>	<u>556,736</u>	<u>573,838</u>
Net Assets			
Held in trust for the prison canteen (Note 1m)	-	-	-
Held in trust for workers' compensation (Note 1m)	-	-	-
Held in trust for pension benefits (Note 1m)	-	-	-
Total Net Assets	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Net Assets	<u>\$ 69,622</u>	<u>\$ 556,736</u>	<u>\$ 573,838</u>

See Independent Auditor's Report and  
Accompanying Notes to Financial Statements

COUNTY OF CAMBRIA  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
DECEMBER 31, 2009

	Clerk of Courts	Domestic Relations Support	Intermediate Punishment Unit
<u>ASSETS</u>			
Assets			
Cash and cash equivalents	\$ 891,705	\$ 68,460	\$ 152,250
Investments	-	-	-
Restricted assets:			
Cash	-	-	-
Investments	-	-	-
Accounts receivable	-	-	-
Total Assets	<u>\$ 891,705</u>	<u>\$ 68,460</u>	<u>\$ 152,250</u>
<u>LIABILITIES AND NET ASSETS</u>			
Liabilities			
Due to other governments	\$ 554,997	\$ -	\$ -
Other liabilities	336,708	68,460	152,250
Due to other funds	-	-	-
Total Liabilities	<u>891,705</u>	<u>68,460</u>	<u>152,250</u>
Net Assets			
Held in trust for the prison canteen (Note 1m)	-	-	-
Held in trust for workers' compensation (Note 1m)	-	-	-
Held in trust for pension benefits (Note 1m)	-	-	-
Total Net Assets	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Net Assets	<u>\$ 891,705</u>	<u>\$ 68,460</u>	<u>\$ 152,250</u>

See Independent Auditor's Report and  
Accompanying Notes to Financial Statements



COUNTY OF CAMBRIA  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
DECEMBER 31, 2009

	Workers' Compensation Trust Fund	Retirement Trust Fund	Total
<u>ASSETS</u>			
Assets			
Cash and cash equivalents	\$ -	\$ -	\$ 2,865,587
Investments	-	145,502,513	145,518,875
Restricted assets:			
Cash	-	3,105,520	3,134,543
Investments	1,884,578	-	1,884,578
Accounts receivable	19,030	429,785	449,000
Total Assets	<u>\$ 1,903,608</u>	<u>\$ 149,037,818</u>	<u>\$ 153,852,583</u>
<u>LIABILITIES AND NET ASSETS</u>			
Liabilities			
Due to other governments	\$ -	\$ -	\$ 1,141,305
Other liabilities	1,743	104,319	1,843,951
Due to other funds	-	13,844	13,844
Total Liabilities	<u>1,743</u>	<u>118,163</u>	<u>2,999,100</u>
Net Assets			
Held in trust for the prison canteen (Note 1m)	-	-	31,963
Held in trust for workers' compensation (Note 1m)	1,901,865	-	1,901,865
Held in trust for pension benefits (Note 1m)	-	148,919,655	148,919,655
Total Net Assets	<u>1,901,865</u>	<u>148,919,655</u>	<u>150,853,483</u>
Total Liabilities and Net Assets	<u>\$ 1,903,608</u>	<u>\$ 149,037,818</u>	<u>\$ 153,852,583</u>

See Independent Auditor's Report and  
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COUNTY OF CAMBRIA  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
WORKERS' COMPENSATION TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009

Revenues	
Interest income	\$ 78,971
Net appreciation in fair value of investments	<u>61,811</u>
Total Revenues	<u>140,782</u>
Expenses	
Operating expenses	<u>6,970</u>
Total Expenses	<u>6,970</u>
Other Financing Sources/(Uses)	
Operating transfers in	<u>-</u>
Total Sources/(Uses)	<u>-</u>
Excess/(Deficiency) of Revenues Over Other Financing Sources/(Uses)	133,812
Net Assets Held in Trust for Specific Purposes - Beginning of Year	<u>1,768,053</u>
Net Assets Held in Trust for Specific Purposes - End of Year	<u>\$ 1,901,865</u>

See Independent Auditor's Report and  
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COUNTY OF CAMBRIA  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
RETIREMENT TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009

Additions

Contributions:

Employer	\$ 1,695,028
Employee	<u>3,555,827</u>

Total Contributions	<u>5,250,855</u>
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Investment Income:

Interest	1,889,756
Dividends	1,870,801
Net appreciation in fair value of investments	<u>16,628,006</u>

20,388,563

Less: Investment expense	<u>587,442</u>
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Net investment income	<u>19,801,121</u>
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Total Additions	<u>25,051,976</u>
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Deductions

Benefits	9,027,272
Administrative expenses	<u>51,592</u>

Total Deductions	<u>9,078,864</u>
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Increase in Net Assets	15,973,112
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Net Assets Held in Trust for Employee Pension Benefits:

Beginning of Year	<u>132,946,543</u>
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End of Year	<u>\$ 148,919,655</u>
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See Independent Auditor's Report and  
Accompanying Notes to Financial Statements

COUNTY OF CAMBRIA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2009

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The County of Cambria (the "County") is a fourth class county that was formed on March 26, 1804, and operates under the direction of an elected Board of Commissioners, and provides the following services: general administrative services, tax assessment and collection, judicial, public improvements, public safety, conservation and development, and human services programs.

The County's financial statements are prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The County has elected to apply Financial Accounting Standards Board (FASB) Accounting Standards Codification to its business-type activities and to its enterprise funds provided they do not conflict with or contradict GASB pronouncements.

The following is a summary of significant accounting policies of the County of Cambria:

**a. Financial Reporting Entity**

The County follows the Statement of Governmental Accounting Standards Board No. 39, "Determining Whether Certain Organizations are Component Units." The County's combined financial statements include the accounts of all County operations. The criteria for including organizations as component units within the County's reporting entity include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the County holds the corporate powers of the organization
- the County appoints a voting majority of the organization's board
- the County is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the County
- there is fiscal dependency by the organization on the County

Based on the aforementioned criteria, the County of Cambria has the following discretely presented component units:

### **Cambria County Planning Commission**

The members of the governing board of the Cambria County Planning Commission are appointed by the Board of County Commissioners. The County provides financial support through its obligation to fund deficits. In addition, the County must approve any issuance of debt. The reporting period for the Cambria County Planning Commission is June 30, 2009.

### **Redevelopment Authority of Cambria County**

The members of the governing board of the Redevelopment Authority of Cambria County are appointed by the Board of County Commissioners. The County provides financial support through its obligation to fund deficits. In addition, the County must approve any issuance of debt.

### **Cambria Library Association**

The County provides financial support through a tax levy which supplements State Library Aid and fees to fund operating expenditures. In addition, the County must approve any issuance of debt.

### **Johnstown-Cambria County Airport Authority**

The members of the governing board of the Johnstown-Cambria County Airport Authority are appointed by the Board of County Commissioners. The County provides financial support through appropriations and its obligation to fund deficits. In addition, the County must approve any issuance of debt.

### **Cambria County Transit Authority**

The members of the governing board of the Cambria County Transit Authority are appointed by the Board of County Commissioners. The County provides financial support through its obligation to fund deficits. In addition, the County must approve any issuance of debt. The reporting period for the Cambria County Transit Authority is June 30, 2009.

### **Cambria County Solid Waste Management Authority**

The members of the governing board of the Cambria County Solid Waste Management Authority are appointed by the Board of County Commissioners. The County provides financial support through appropriations. In addition, the County must approve any issuance of debt.

### **Cambria County Conservation and Recreation Authority**

The members of the governing board of the Cambria County Conservation and Recreation Authority are appointed by the Board of County Commissioners. The County provides financial support through its obligation to fund deficits.

### **Pennsylvania Highlands Community College**

The members of the governing board of the Pennsylvania Highlands Community College are appointed by the Board of County Commissioners. The County provides financial support through its obligation to fund deficits. In addition, the County must approve any issuance of debt. The reporting period for the Pennsylvania Highlands Community College is June 30, 2009.

### **Behavioral Health of Cambria County**

The members of the governing board of Behavioral Health of Cambria County are appointed by the Board of County Commissioners. The County provides financial support through its obligation to fund deficits. The reporting period for the Behavioral Health of Cambria County is June 30, 2009.

Complete financial statements of the individual Component Units can be obtained from their respective administrative offices.

### **Administrative Offices:**

Cambria County Planning Commission  
PO Box 89  
Ebensburg, PA 15931

Redevelopment Authority of Cambria County  
401 Candlelight Drive, Suite 209  
Ebensburg, PA 15931

Cambria Library Association  
248 Main Street  
Johnstown, PA 15901

Johnstown-Cambria County Airport Authority  
479 Airport Road, Suite 1  
Johnstown, PA 15904

Cambria County Transit Authority  
726 Central Avenue  
Johnstown, PA 15931

Cambria County Solid Waste Management Authority  
PO Box 445  
507 Manor Drive  
Ebensburg, PA 15931

Cambria County Conservation and Recreation Authority  
401 Candlelight Drive, Suite 234  
Ebensburg, PA 15931

Pennsylvania Highlands Community College  
101 Community College Way  
Johnstown, PA 15904

Behavioral Health of Cambria County  
411 Main Street  
Johnstown, PA 15901

### **Related Organizations**

The Board of County Commissioners is also responsible for appointing the members of the governing boards of other organizations, but the County's accountability for these organizations generally does not extend beyond making the appointments. These organizations include:

- Cambria County Hospital Development Authority
- Cambria County Industrial Development Authority
- Cambria County Industrial Development Corporation
- Cambria County Child Development Corp.
- Cambria Somerset Authority
- Cambria County War Memorial Arena Authority

### **b. Basis of Presentation**

The County's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

#### **Government-Wide Financial Statements**

The statement of net assets and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the County that are governmental in nature and those that are considered business-type activities.

The statement of net assets presents the financial condition of the governmental and business-type activities of the County at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental activities and business-type activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues that are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business activity is self-financing or draws from the general revenues of the County.

### **Fund Financial Statements**

During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. The focus of governmental and proprietary fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

#### **c. Fund Accounting**

The County uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

### **Governmental Funds**

Governmental funds are those through which most governmental functions of the County are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.



The following are the County's major governmental funds:

General Fund

The General Fund is the general operating fund of the County used to account for all financial resources, except those required to be accounted for in another fund. General tax revenues of the County, as well as other resources received and not designated for a specific purpose, are accounted for in the General Fund.

Capital Projects Fund

The Capital Projects fund is utilized to track the expense of certain capital projects within the County. The projects are approved by the County Commissioners at public meetings. The funding of these projects comes from Bond or Loan proceeds or state or federal grants.

Mental Health/Mental Retardation Fund

The Mental Health and Mental Retardation programs both receive the majority of their funding from the PA Department of Welfare. This funding is both state and federal monies. The Mental Health program provides mental health services such as outpatient, partial hospitalization, and residential to Cambria County residents. The Mental Retardation program provides services mental retardation clients through residential placement.

Health Choices Fund

The Health Choices fund is utilized to account for all financial resources used to operate, manage and administer the Health Choices Behavioral Health Program of Cambria County. The funding of the Health Choices Program is received from the PA Department of Public Welfare.

Children and Youth Fund

The PA Department of Welfare provides the majority of the funding for this program. This funding is comprised of both state and federal monies. These monies are used to provide protective children services to the age of 21, through counseling, in-home and residential services.

The other governmental funds of the County account for grants and other resources whose use is restricted for a particular purpose; the accumulation of resources for, and payment of debt; and the acquisition or construction of major capital facilities.

## **Proprietary Funds**

Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position, and cash flows. The County's proprietary funds may be used to account for any activity for which a fee is charged to external users for goods or services.

The following are the County's major proprietary funds:

### Laurel Crest Manor Fund

This facility serves the elderly residents of Cambria County by providing long-term and short-term health services. The facility is funded through state and federal monies from Medicare/Medicaid and also private insurance reimbursements.

### Laurel Crest D.M.E. Fund

This fund is used for the Enteral Nutrition feeding program which is a tube feeding program for residents. The program costs include product cost (nutrition supplement), pump rental, and server costs (company administering program). The cost of the feedings is reimbursed by Medicare-Part B, and secondarily by private insurance.

### Central Park Complex Fund

The County owns the building called "Central Park Complex" in downtown Johnstown. The county collects rents from tenants in the building (e.g. Human Services Programs such as Area Agency on Aging, Mental Health/Mental Retardation, Children & Youth, and Drug & Alcohol) and leases the first floor space to Johnstown Business District Coalition. The rental income is used to maintain the building and pay the related utility bills for the building.

### Cambria Connected

Cambria Connected is a multi-service communications network that will provide voice, video and high speed data communications to all participating public safety agencies. The network will provide businesses, education and all levels of government with these services. In most cases, Cambria Connected will bring technologically advanced communications capabilities to all of Cambria County, even in areas that have been unable to receive services.

## **Fiduciary Funds**

Fiduciary fund reporting focuses on net assets and changes in net assets. The County's investment trust fund accounts for the external portion of the cash management pool, which represents resources that belong to legally separate entities. The County's agency funds account for assets held by the County for political subdivisions in which the County acts as fiscal agent and for taxes, state-levied shared revenues, and fines and forfeitures collected and distributed to other political subdivisions.

### **d. Measurement Focus and Basis of Accounting**

#### **Government-Wide Financial Statements**

The government-wide financial statements, component unit financial statements, and fund financial statements for proprietary and fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the balance sheet and the operating statements present increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounts, revenues are recognized when earned, if measurable, and expenses are recognized as incurred, regardless of timing of related cash flows.

In accordance with GASB Statement No. 20 "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting," the County and its component units apply all GASB pronouncements and all Financial Accounting Standards Board (FASB) Accounting Standards Codification, unless they conflict with GASB pronouncements.

#### **Fund Financial Statements**

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reflects the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the fund financial statements for governmental funds.

## **Proprietary Fund Financial Statements**

Like the government-wide financial statements, the enterprise funds are accounted for using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in revenues, expenses, and changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. The statement of cash flows reflects how the County finances and meets the cash flow needs of its enterprise activities.

Proprietary funds separate all activity into two categories: operating and non-operating revenues and expenses. Operating revenues and expenses result from providing services and producing and delivering goods. Non-operating revenues and expenses entail all other activity not included in operating revenues and expenses. Non-operating revenues and expenses include capital and non-capital financing activities and investing activities.

### **e. Basis of Accounting for Component Units**

#### **Cambria County Planning Commission**

The Cambria County Planning Commission's financial statements are presented on the full accrual basis in accordance with Generally Accepted Accounting Principles (GAAP). The Commission applies all Governmental Accounting Standards Board (GASB) pronouncements. The financial statements include the implementation of GASB No. 34. All activities of the Commission are accounted for within a single proprietary (enterprise) fund.

#### **Redevelopment Authority of Cambria County**

For the year ended December 31, 2009 the Redevelopment Authority of Cambria County complied with GASB No. 34. The accounts of the Authority are maintained in general and special revenue funds. The government-wide statements are prepared using the accrual basis of accounting. The fund financial statements are prepared on the modified accrual basis of accounting.

### **Cambria Library Association**

The financial statements of the Cambria Library Association have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities. The financial statement preparation follows the recommendations of the Financial Accounting Standards Board ASC, Financial Statements of Not-for-Profit Organizations. Under the FASB ASC, the library is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

### **Johnstown-Cambria County Airport Authority**

The operations of the Johnstown-Cambria County Airport Authority are accounted for through a single enterprise fund. An enterprise fund is used to account for operations, which are financed and operated in a manner similar to private business, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges. The financial statements include the implementation of GASB No. 34.

### **Cambria County Transit Authority**

The financial statements of the Cambria County Transit Authority have been prepared in conformity with Generally Accepted Accounting Principles (GAAP). The operations of the Authority are accounted for through a single proprietary (enterprise) fund. The enterprise fund is accounted for on a flow of economic resources measurement focus. The financial statements include the implementation of GASB No. 34.

### **Cambria County Solid Waste Management Authority**

The financial statements of the Cambria County Solid Waste Management Authority have been prepared in conformity with Generally Accepted Accounting Principles (GAAP). The operations of the Authority are accounted for through a single proprietary (enterprise) fund. The enterprise fund is accounted for on a flow of economic resources measurement focus. The financial statements include the implementation of GASB No. 34.

### **Cambria County Conservation and Recreation Authority**

The Cambria County Conservation and Recreation Authority maintains its books on the modified accrual basis of accounting. Under this method revenues are recognized when received, unless they are susceptible to accrual, and expenses are recognized when incurred. For the year ended December 31, 2009 the Authority complied with GASB No. 34. The accounts of the Authority are maintained in general and special revenue funds.

### **Pennsylvania Highlands Community College**

The Pennsylvania Highlands Area Community College's financial statements are presented on the full accrual basis in accordance with Generally Accepted Accounting Principles (GAAP). The College applies all Governmental Accounting Standards Board (GASB) pronouncements. The financial statements include the implementation of GASB No. 34. All activities of the College are accounted for within a single proprietary (enterprise) fund.

### **Behavioral Health of Cambria County**

The financial statements of the Behavioral Health of Cambria County have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities. The financial statement preparation follows the recommendations of the Financial Accounting Standards Board ASC, Financial Statements of Not-for-Profit Organizations. Under the FASB ASC, the organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

#### **f. Deferred Revenues**

Deferred revenues arise when assets are recognized before the revenue recognition criteria have been satisfied.

Property taxes for which there was an enforceable legal claim at December 31, 2009, but were levied to finance 2009 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements were met have also been recorded as deferred revenue.

On governmental fund financial statements, receivables that were not collected within the available period are recorded as deferred revenue.

#### **g. Investments**

Investments of all funds are stated at fair value.

**h. Budgets and Budgetary Accounting**

Commonwealth of Pennsylvania statutes require that County Governments establish budgetary systems and adopt annual operating budgets. The County's annual budget includes the General Fund and Certain Special Revenue Funds, and is based on estimates of revenues and expenditures approved by the Commissioners. The County of Cambria follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to October 1, the department heads submit to the County Commissioners proposed operating budgets for the fiscal year which commences on January 1.
2. The Commissioners then interview all department heads to discuss their budgets as submitted and allow them to substantiate projected expenditures at public hearings.
3. Subsequently, the County chief clerk's office assembles the preliminary projections of revenues and expenditures into a formal budget incorporating any revisions or adjustments resulting from the Commissioners' review.
4. Public hearings are conducted on the proposed budget. The proposed budget is available for public inspection for 20 days prior to final adoption.
5. After the 20-day inspection period, but prior to December 31, the County Commissioners adopt the final budget by enacting an appropriate resolution.
6. The formal budgetary process is employed as a planning device. The adopted budget is on a basis consistent with GAAP. Budget amounts are as originally adopted, or as formally amended by the County Commissioners at a public meeting.

**i. Cash and Cash Equivalents**

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

**j. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the governmental-wide financial statements and in the fund financial statements for proprietary funds. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess

of one year. Assets are recorded at historical cost or estimated historical cost if historical cost is not available. Donated capital assets are recorded at estimated fair market value at the date of donation.

Cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Infrastructure assets are reported in the business-type and governmental activities columns. Infrastructure in the business-type activities columns is classified as improvements other than buildings and consists of water and sewer lines. Infrastructure reported in the governmental activities column consists of County bridges constructed after 1980.

The County depreciates assets on a straight line basis using the following estimated useful lives.

<u>Description</u>	<u>Estimated Lives</u>
Infrastructure	50 years
Site Improvements	15-30 years
Office Furniture & Equipment	8-15 years
Building & Permanent Fixtures	20-40 years
General Equipment	10-15 years
Radio Equipment	10 years
Computer Hardware & Software	5 years
Vehicles	8 years

#### **Capital Assets and Depreciation – Component Units**

The component units record assets at cost. The assets are depreciated on the straight-line method using 5 to 30 year estimated useful lives. Upon retirement, asset cost and related depreciation are removed from the books. Repairs and maintenance are expensed when incurred.

#### **k. Interfund Receivables/Payables**

On fund financial statements, receivables and payables resulting from short-term interfund loans or interfund services provided and used are classified as "Interfund Receivables/Payables." Interfund balances within governmental activities and within business-type activities are eliminated on the government-wide statement of net assets. The only interfund balances which remain on the government-wide statement of net assets are those between governmental and business-type activities. These amounts are reflected as "Internal Balances."



Balances at December 31, 2009 were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
<u>Governmental Fund Types</u>		
<b>General Fund</b>	\$ <u>9,084,742</u>	\$ <u>14,021,767</u>
<b>Special Revenue Funds</b>		
Domestic Relations	---	452,994
Juvenile Probation	---	462,800
Detention/Shelter	---	21,516
Farmland Preservation	15,132	---
911 Emergency Communications	530,432	---
County Records Improvement	2,407	---
Area Agency on Aging	1,132,331	---
Foster Grandparents	18,094	---
Substance Abuse	469,730	---
Children and Youth	---	2,391,908
Drug and Alcohol	392,370	---
Human Services	70,475	---
Mental Health/Mental Retardation	1,097,326	---
HMER A	91	---
Parks and Playgrounds	---	615,317
DUI	<u>1,096,050</u>	<u>---</u>
Total Special Revenue Funds	<u>4,824,438</u>	<u>3,944,535</u>
<b>Debt Service Fund</b>	<u>678,626</u>	<u>996,689</u>
<b>Capital Projects Fund</b>	<u>999,866</u>	<u>---</u>
Total Governmental Fund Types	<u>15,587,672</u>	<u>18,962,991</u>
<u>Proprietary Fund Types</u>		
Central Park Complex	156,044	---
Cambria Connect	996,689	2,283,468
Laurel Crest Manor	<u>13,793,250</u>	<u>9,273,352</u>
Total Proprietary Fund Types	<u>14,945,983</u>	<u>11,556,820</u>
<u>Fiduciary Fund Types</u>		
Retirement Trust Fund	<u>---</u>	<u>13,844</u>
Total Fiduciary Fund Types	<u>---</u>	<u>13,844</u>
Total Interfunds	\$ <u><u>30,533,655</u></u>	\$ <u><u>30,533,655</u></u>

**I. Fund Balance Reserves**

The County reserves those portions of governmental fund balances which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Fund balance reserves have been established for:

**General Fund**

Reserved for Library \$ 7,055

This reserve represents restrictions for real estate tax revenues to be used to fund the Cambria Library Association.

Reserved for Laurel Crest Manor \$ 2,232,174

This reserve represents the expected general fund loss from the 2010 sale of Laurel Crest Manor – See Note 20 for details.

**Fiduciary Funds**

Retirement Trust Fund \$ 148,919,655

This reserve represents funds restricted to retirement fund use for the future payment of members' benefits.

Workers' Compensation Trust \$ 1,901,866

This reserve represents funds restricted to fund workers' compensation claims.

Prison Canteen/Resident \$ 31,963

This reserve represents funds restricted for the welfare of prison inmates.

**Component Units**

Cambria Library Association \$ 329,986

This reserve has been established to segregate donor restricted funds or reserves otherwise not available for general operation purposes.

Transit Authority \$ 1,518,670

This reserve has been established to segregate state grant money received for future capital additions or improvements under PA Act 26 and Act 3.

m. **Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consist of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The County's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

The following is a summary of the County's restricted net assets as of December 31, 2009:

Reserved for Library	\$ <u>7,055</u>
Total Restricted Net Assets	\$ <u>7,055</u>

n. **Property Tax Revenues**

Property taxes collected within 60 days subsequent to December 31 are recognized as revenue for the year ending December 31 in accordance with applicable GASB standards. County policy is to establish a reserve for uncollectible real estate taxes, which are generally defined as those in excess of two years past due, unless unusual circumstances exist.

o. **Interfund Transfers**

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as Interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in enterprise funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

**p. Indirect Costs, Maintenance in Lieu of Rent, Allocated Costs**

Indirect costs, maintenance in lieu of rent, and allocated costs are charged to various state and federal programs based on a formal plan developed annually by the County. These costs are reflected as expenditures/expenses in those funds benefiting from the services provided and as a reduction of expenditures in the General Fund which provides the services. These costs are recorded on a full absorption basis in order to reflect the total cost of operations of the various funds.

**q. Bond Issuance Costs**

Bond Issuance Costs are being amortized over the lives of the related bonds issued using the straight-line method. Amortization expense for December 31, 2009 totaled \$23,897. Of this balance \$4,711 was for the Central Park Complex Fund, \$10,552 was for Laurel Crest Manor Fund and \$8,634 was recognized for governmental activities at the entity wide statements.

**r. Estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

**s. Joint Venture**

The County of Cambria participates in a joint venture with Somerset County, Pennsylvania. This joint venture, Cambria Somerset Authority and Combined Affiliates, is described as follows:

**Reporting Entity and Nature of Activities**

The combined financial statements present the accounts and transactions of the Cambria Somerset Authority ("CSA") and its Combined Affiliates ("the Authority"), CSA Nonprofit, Inc. ("Nonprofit") and Manufacturer's Water Company ("MWC"). All significant inter-company transactions have been eliminated in the combination.

CSA was incorporated by the counties of Cambria and Somerset on June 9, 1999, under the Municipalities Act of 1945 as amended in order to acquire the operations of MWC, an entity owned by Bethlehem Steel Corporation ("Bethlehem"). MWC owns and operates five dams in the

counties of Cambria and Somerset. The common stock of MWC was actually acquired by the Nonprofit, with CSA having complete control over the Nonprofit. Together, all three of these entities (CSA, Nonprofit and MWC) comprise the Cambria Somerset Authority and Combined Affiliates (the "Authority").

#### Financial Information

Selected financial information from the most recently issued reports of the Authority is presented below. Complete financial statements are available from the Authority's offices at 244 Walnut Street, Johnstown, Pennsylvania 15901.

	Year Ended December 31, 2009
Current Assets	\$ 489,476
Total Assets	16,404,224
Current Liabilities	750,054
Total Liabilities	10,917,210
Net Assets	5,487,014
Operating Revenues	1,269,216
Operating Expenses	(1,246,512)
Non-Operating Revenues	79,465
Non-Operating Expenses	(374,307)
Capital Contribution	631,446
Change in Net Assets	359,308

#### Financial Reporting Relationship between Cambria County and Cambria Somerset Authority

Cambria County has provided a guaranty agreement in which the County guarantees the payment of \$3,242,500 of the Authority's Tax Exempt Revenue Note, Series of 2001 and \$1,798,434 of the Authority's Tax Exempt Revenue Note, Series of 2006.

#### **t. Reclassifications**

Certain accounts were reclassified from the prior year. The purpose of the reclassification is to give a more accurate representation of the County's operations. The reclassifications did not effect the representation of the County's overall performance.

### **NOTE - 2 CASH AND INVESTMENTS**

Under Section 1706 of the County Code of the Commonwealth of Pennsylvania, the County is authorized to invest its funds in the following:

- United States Treasury Bills.
- Short-term obligations of the United States Government or its agencies or instrumentalities.

- Deposits in savings accounts or time deposits, other than certificates of deposit, or share accounts of institutions having their principal place of business in the Commonwealth of Pennsylvania and insured by the Federal Deposit Insurance Corporation ("FDIC") or other like insurance.
- Obligations of the United States or any of its agencies or instrumentalities backed by the full faith and credit of the United States, the Commonwealth of Pennsylvania, or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth of Pennsylvania, or of any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.
- Shares of an investment company registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933.
- Certificates of deposit purchased from institutions having their principal place of business in or outside the Commonwealth of Pennsylvania, which are insured by the FDIC or other like insurance. For any amounts in excess of the insured maximum, such deposits shall be collateralized by a pledge or assignment of assets pursuant to Act No. 72 of the General Assembly. Certificates of deposit may not exceed 20% of a bank's total capital surplus or 20% of a savings and loan's or savings bank's assets net of its liabilities.
- Commercial paper and prime commercial paper meeting certain requirements.
- Repurchase agreements, which are fully collateralized by obligations of the United States of America.

In addition, the County Code provides that the Retirement Trust Fund may make any investment authorized by 20 PA.A. Ch. 7302b (relating to fiduciaries' investments).

For all deposits above the insured maximum, assets are pledged as collateral under Subsection (c)(3), to be pooled in accordance with the Act of August 6, 1971 (P.L. 281, No. 72).

It is the policy of the County to invest funds under the County's control principally in certificates of deposit, repurchase agreements, U.S. Government Securities, and money market mutual funds. Funds under the County's direct control exclude monies in the Retirement Trust Fund, Capital Projects Funds, and Workmen's Compensation Trust Fund.

As of December 31, 2009, cash balances, unrestricted and restricted, were covered by the FDIC or by pledged collateral held by the financial institutions' trust departments or custodial agents for the benefit of the County.

Cash and investments as of December 31, 2009 are classified in the accompanying financial statements as follows:

Statements of net assets:	
Cash and investments	\$ 17,400,241
Restricted cash and investments	824,283
Fiduciary funds:	
Cash and investments	148,384,462
Restricted cash and investments	<u>5,019,121</u>
 Total Cash and Investments	 <u>\$171,628,107</u>

Cash and investments as of December 31, 2009 consist of the following:

Cash on hand	\$ 32,060
Deposits with financial institutions	23,872,637
Investments	<u>147,723,410</u>
 Total Cash and Investments	 <u>\$171,628,107</u>

### Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the County manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the County's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the County's investments by maturity:

Type	<u>12 Months or Less</u>	<u>13 to 24 Months</u>	<u>25 to 60 Months</u>	<u>More Than 60 Months</u>
Fixed Income Securities	<u>\$ 3,606,164</u>	<u>\$ 3,087,642</u>	<u>\$ 21,524,219</u>	<u>\$ 17,020,568</u>

## Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of year end for each type of fixed income investment that received a rating:

Type	AAA	AA	A	BAA
Government:				
Treasury	\$ 7,090,233	\$ -	\$ -	\$ -
Agency	21,188,446	-	-	-
Corporate:				
Industrial	184,293	1,179,414	4,309,080	488,068
Utility	-	-	1,090,456	347,636
Finance	2,337,226	1,049,666	2,203,997	-
Transportation	-	376,644	764,444	190,528
Mortgage:				
FNMA	329,543	-	-	-
Totals	<u>\$ 31,129,741</u>	<u>\$ 2,605,724</u>	<u>\$ 8,367,977</u>	<u>\$ 1,026,232</u>

## Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Pennsylvania Government Code and the County's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The Pennsylvania Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool equal at least 110% of the total amount deposited by the public agencies.

GASB Statement No. 40 requires that the following disclosure be made with respect to custodial credit risks relating to deposits and investments: As of December 31, 2009, County investments by the following investment types were uncollateralized, which includes deposits collateralized by securities held by the pledging financial institution or by its trust department or agent, but not in the County's name. County investments subject to this risk include investments in the pension trust fund and the worker's compensation fund.



<u>Investment</u>	<u>Reported Amount</u>
Government and Agencies	\$ 28,593,791
Corporate Obligations	16,231,257
Domestic Equity	57,588,466
Municipal Obligations	---
Mortgage Backed	343,096
International Equity	43,175,151
Temporary Investment - Cash	<u>2,507,933</u>
	<u>\$ 148,439,694</u>

### **Foreign Currency**

Foreign currency risk is the risk that the changes in foreign exchange rates will adversely affect the fair value of an investment. The County has \$43,175,151 in investments subject to foreign currency risk at year end.

### **Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations**

The County's investments (including investments held by bond trustees) include the following investments that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above):

<u>Highly Sensitive Investments</u>	<u>Fair Value at Year End</u>
Mortgage Backed Securities. These securities are subject to early payment in a period of declining interest rates. The resultant reduction in expected total cash flows affects the fair value of these securities and makes the fair values of these securities highly sensitive to changes in interest rates.	<u>\$343,096</u>

### NOTE 3 - RESTRICTED ASSETS

Assets whose use is limited to a specific purpose have been classified as restricted in the Statement of Net Assets. Restricted cash is composed of the following:

	<u>Cash</u>	<u>Investments</u>	<u>Total</u>
<b>Governmental Activities:</b>			
General Fund:			
Tax Claim Department amounts received from tax sales which ultimately will be distributed to other tax authorities. The aggregate amount is offset with a corresponding General Fund liability captioned payable from restricted assets	\$ 157,424	\$ ---	\$ 157,424
911 Fund:			
Wireless grant revenue received to aid in implementation of wireless technology and offset by deferred revenue.	<u>444,874</u>	<u>---</u>	<u>444,874</u>
Total Governmental Activities	<u>\$ 602,298</u>	<u>\$ ---</u>	<u>\$ 602,298</u>
<b>Business-Type Activities:</b>			
Laurel Crest Manor Fund:			
Patient accounts comprising funds held by Laurel Crest Manor in escrow for residents and offset by a corresponding liability captioned payable from restricted assets.	<u>221,985</u>	<u>---</u>	<u>221,985</u>
Total Business-Type Activities	<u>\$ 221,985</u>	<u>\$ ---</u>	<u>\$ 221,985</u>

**Fiduciary Funds:****Trust Funds:**

Amount established to provide for Pension contribution and offset by a reserve for balance for pension benefits.	\$ 3,105,520	\$ ---	\$ 3,105,520
Amount established to provide source of funds for the realty transfer tax collected on behalf of the Commonwealth.	29,023	---	29,023
Amount established to provide source of funds for workers' compensation claims and offset by a reserve in fund balance for workers' compensation.	---	<u>1,884,578</u>	<u>1,884,578</u>
Total Fiduciary Funds	<u>\$ 3,134,543</u>	<u>\$ 1,884,578</u>	<u>\$ 5,019,121</u>

**NOTE 4 - REAL ESTATE TAXES**

Real estate taxes attach an enforceable lien on property on January 1. Taxes are billed on or about March 1, payable under the following terms: 2% discount, March 1 through April 30; face amount, May 1 through June 30, and 10% penalty after July 1. The County bills these taxes, which are collected by elected local tax collectors. The County collects delinquent real estate taxes on behalf of itself and other taxing authorities. Real estate tax revenues are recognized in the period in which they become susceptible to accrual, that is, when they become both measurable and available.

The rate of taxation in 2009 was 26.9 mills, of which 5.3 mills were designated for debt service, .75 mills were designated for community college purposes, .50 mills were designated for county library purposes, .50 mills for parks and playgrounds purposes, and the remaining 19.85 mills for general purposes.

The County, in accordance with GAAP, recognized the delinquent and unpaid taxes receivable reduced by an allowance for uncollectible taxes as determined by the administration. The net amount estimated to be collectible which was measurable and available within 60 days was recognized as revenue. All taxes, net of uncollectible amounts, are recognized in the period for which levied in the government-wide financial statements, regardless of when collected.

Taxes Receivable:

**Fund Financial Statement**

Taxes receivable in the amount of \$3,398,758 as stated on the Governmental Funds Balance Sheet, are actual legal claims of lien properties. The County has deferred \$2,721,725 in taxes receivable on the fund level financial statements, to comply with GASB No. 22, reported on the modified accrual basis of accounting.

**Government-Wide Financial Statement**

In addition to the taxes receivable noted above, the Statement of Net Assets includes taxes receivable from years 2009 and prior that are summarized as follows:

	<u>Gross Taxes Receivable</u>	<u>Allowance for Uncollectibles</u>	<u>Net Estimated to be Collectible</u>
Property taxes	<u>\$4,772,049</u>	<u>(\$1,373,291)</u>	<u>\$ 3,398,758</u>

**NOTE 5 - DUE FROM / DUE TO OTHER GOVERNMENTS**

Amounts due from other governments are generally comprised of amounts due from Federal, State, and Local governmental units for reimbursement due under the grant programs at December 31, 2009. Amounts due to other governments are generally comprised of interest earned on state grants required to be returned to the state for which program expenditures have not occurred at December 31, 2009.

**NOTE 6 - FIXED ASSETS**

Capital asset activity for the year ended December 31, 2009 was as follows:

	<u>Balance 12/31/08</u>	<u>Additions</u>	<u>Disposal</u>	<u>Balance 12/31/09</u>
<b>Government activities:</b>				
Capital assets not being depreciated:				
Construction-in-progress	<u>\$ 456,090</u>	<u>\$ 2,681,894</u>	<u>(\$ 183,859)</u>	<u>\$ 2,954,125</u>
Total capital assets not being depreciated	<u>456,090</u>	<u>2,681,894</u>	<u>( 183,859)</u>	<u>2,954,125</u>
Other capital assets:				
Site improvements	3,043,254	208,200	---	3,251,454
Infrastructure	13,164,762	---	( 298)	13,164,464
Building and permanent fixtures	49,822,774	32,419	( 24,069)	49,831,124

Office furniture and equipment	1,315,213	13,459	( 15,687)	1,312,985
General equipment	2,147,501	101,229	( 70,779)	2,177,951
Radio equipment	7,686,311	---	---	7,686,311
Computer hardware and software	6,771,901	115,721	( 5,496 )	6,882,126
Vehicles	<u>3,665,124</u>	<u>585,780</u>	<u>( 41,747)</u>	<u>4,209,157</u>
Total capital assets, at cost	<u>87,616,840</u>	<u>1,056,808</u>	<u>( 158,076)</u>	<u>88,515,572</u>
Less accumulated depreciation for:				
Site improvements	( 981,482)	( 112,465)	---	( 1,093,947)
Infrastructure	( 3,395,793)	( 263,921)	---	( 3,659,714)
Building and permanent fixtures	( 16,251,725)	( 1,223,989)	---	( 17,475,714)
Office furniture and equipment	( 1,003,120)	( 45,245)	14,229	( 1,034,136)
General equipment	( 1,398,970)	( 112,944)	70,779	( 1,441,135)
Radio equipment	( 2,230,269)	( 378,331)	---	( 2,608,600)
Computer hardware and software	( 4,221,439)	( 904,304)	5,496	( 5,120,247)
Vehicles	<u>( 1,588,734)</u>	<u>( 382,685)</u>	<u>17,166</u>	<u>( 1,954,253)</u>
Total accumulated Depreciation	<u>( 31,071,532)</u>	<u>( 3,423,884)</u>	<u>107,670</u>	<u>( 34,387,746)</u>
Governmental activities capital assets, net	<u>\$ 57,001,398</u>	<u>\$ 314,818</u>	<u>(\$ 234,265)</u>	<u>\$ 57,081,951</u>
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land	\$ 383,046	\$ ---	\$ --	\$ 383,046
Construction-in-progress	<u>502,603</u>	<u>435,859</u>	<u>( 590,697)</u>	<u>347,765</u>
Total capital assets not being depreciated	<u>885,649</u>	<u>435,859</u>	<u>( 590,697)</u>	<u>730,811</u>
Other Capital assets:				
Land improvements	734,000	13,870	---	747,870
Buildings and permanent fixtures	37,565,547	796,332	---	38,361,879

Machinery & equipment	<u>9,811,429</u>	<u>152,543</u>	<u>---</u>	<u>9,963,972</u>
Total capital assets at cost	<u>48,110,976</u>	<u>962,745</u>	<u>---</u>	<u>49,073,721</u>
Less accumulated depreciation for:				
Land improvements	( 497,959)	( 23,908)	---	( 521,867)
Buildings and permanent fixtures	(18,524,572)	( 1,378,969)	---	(19,903,541)
Machinery & equipment	( 4,634,106)	( 215,529)	---	( 4,849,635)
Total accumulated depreciation	<u>( 23,656,637)</u>	<u>( 1,618,406)</u>	<u>---</u>	<u>(25,275,043)</u>
Business-type activities capital assets, net	<u>\$25,339,988</u>	<u>(\$ 219,802)</u>	<u>(\$590,697)</u>	<u>\$24,529,489</u>

#### COMPONENT UNITS:

Summaries of the component units' fixed assets as of December 31, 2009 follow:

	<u>Balance 12/31/08</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance 12/31/09</u>
<b>Planning Commission:</b>				
Equipment	\$ 26,363	\$ ---	\$ ---	\$ 26,363
Equipment under capital lease	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Less: Accumulated depreciation	( 25,095)	( 489)	---	( 25,584)
Total capital assets, net	<u>\$ 1,268</u>	<u>(\$ 489)</u>	<u>\$ ---</u>	<u>\$ 779</u>
<b>Redevelopment Authority:</b>				
Furniture & equipment	\$ 19,818	\$ 1,168	\$ ---	\$ 20,986
Total capital assets at cost	<u>19,818</u>	<u>1,168</u>	<u>---</u>	<u>20,986</u>
Less: Accumulated depreciation	( 17,296)	( 977)	---	( 18,273)
Total capital assets, net	<u>\$ 2,522</u>	<u>\$ 191</u>	<u>\$ ---</u>	<u>\$ 2,713</u>
<b>Library Association:</b>				
Books & audio visual	\$ 1,422,366	\$ 74,552	(\$ 12,457)	\$ 1,484,461
Improvements	190,138	1,242	---	191,380
Furniture & equipment	83,293	17,068	---	100,361
Software	121,752	---	---	121,752
Computer equipment	313,791	---	---	313,791
Automobiles	28,021	---	---	28,021

Capital Leases	<u>26,242</u>	<u>---</u>	<u>(26,242)</u>	<u>---</u>
Total capital assets at cost	<u>2,185,603</u>	<u>92,862</u>	<u>( \$ 38,699)</u>	<u>2,239,766</u>
Less: Accumulated depreciation	<u>(1,421,412)</u>	<u>(108,402)</u>	<u>35,200</u>	<u>( 1,494,614)</u>
Total capital assets, net	<u>\$ 764,191</u>	<u>(\$ 15,540)</u>	<u>(\$ 3,499)</u>	<u>\$ 745,152</u>

**Municipal Airport Authority:**

Land	\$ 1,891,109	\$ ---	\$ ---	\$ 1,891,109
Construction-in-progress	573,564	1,873,478	---	2,447,042
Improvements	35,870,460	---	---	35,870,460
Building & improvements	4,231,280	5,000	---	4,236,280
Vehicles & equipment	<u>2,178,381</u>	<u>2,622</u>	<u>---</u>	<u>2,181,003</u>
Total capital assets at cost	<u>44,744,794</u>	<u>1,881,100</u>	<u>---</u>	<u>46,625,894</u>
Less: Accumulated depreciation	<u>( 28,468,441)</u>	<u>(1,267,622)</u>	<u>---</u>	<u>( 29,736,063)</u>
Total capital assets, net	<u>\$ 16,276,353</u>	<u>\$ 613,478</u>	<u>\$ ---</u>	<u>\$ 16,889,831</u>

**Transit Authority:**

Land – Inclined Plane	\$ 666,712	\$ ---	\$ ---	\$ 666,712
Construction in Progress	---	42,083	---	42,083
Land Improvements	24,340	---	---	24,340
Buildings & Improvements	18,919,635	290,667	( 9,541)	19,200,761
Vehicles, equipment and other	<u>15,841,550</u>	<u>658,225</u>	<u>(1,672,238)</u>	<u>14,827,537</u>
Total capital assets at cost	<u>35,452,237</u>	<u>990,975</u>	<u>( 1,681,779)</u>	<u>34,761,433</u>
Less: Accumulated depreciation	<u>( 17,915,423)</u>	<u>(1,725,399)</u>	<u>1,592,687</u>	<u>( 18,048,135)</u>
Total capital assets, net	<u>\$ 17,536,814</u>	<u>(\$ 734,424)</u>	<u>(\$ 89,092)</u>	<u>\$ 16,713,298</u>

**Solid Waste Management Authority:**

Furniture & fixtures	\$ 19,098	\$ ---	\$ ---	\$ 19,098
Equipment	924,622	2,500	---	927,122
Improvements	<u>9,611</u>	<u>---</u>	<u>---</u>	<u>9,611</u>
Total capital assets at cost	<u>953,331</u>	<u>2,500</u>	<u>---</u>	<u>955,831</u>
Less: Accumulated depreciation	<u>( 415,338)</u>	<u>( 63,840)</u>	<u>---</u>	<u>( 479,178)</u>
Total capital assets, net	<u>\$ 537,993</u>	<u>(\$ 61,340)</u>	<u>\$ ---</u>	<u>\$ 476,653</u>

**Conservation & Recreation  
Authority:**

Land	\$ 6,492,302	\$ ---	\$ ---	\$ 6,492,302
Building	1,034,796	---	---	1,034,796
Equipment	<u>87,332</u>	<u>---</u>	<u>---</u>	<u>87,332</u>
Total capital assets at cost	<u>7,614,430</u>	<u>---</u>	<u>---</u>	<u>7,614,430</u>
Less: Accumulated depreciation	<u>(68,743)</u>	<u>( 39,928)</u>	<u>---</u>	<u>( 108,671)</u>
Total capital assets, net	<u>\$ 7,545,687</u>	<u>(\$ 39,928)</u>	<u>\$ ---</u>	<u>\$ 7,505,759</u>

**Pennsylvania Highlands  
Community College:**

Equipment	\$ 3,063,404	\$ 178,993	(\$ 350,475)	\$ 2,891,922
Construction-In-Progress	1,106,758	---	( 554,298)	552,460
Leasehold improvements	7,780,132	1,028,299	---	8,808,431
Computer software	<u>636,314</u>	<u>---</u>	<u>---</u>	<u>636,314</u>
Total capital assets at cost	<u>12,586,608</u>	<u>1,207,292</u>	<u>( 904,773)</u>	<u>12,889,127</u>
Less: Accumulated depreciation	<u>( 2,513,832)</u>	<u>( 735,715)</u>	<u>350,475</u>	<u>( 2,899,072)</u>
Total capital assets, net	<u>\$ 10,072,776</u>	<u>\$ 471,577</u>	<u>(\$ 554,298)</u>	<u>\$ 9,990,055</u>

**Behavioral Health of Cambria  
County:**

Equipment	\$ 20,588	\$ ---	\$ ---	\$ 20,588
Vehicles	<u>21,418</u>	<u>---</u>	<u>---</u>	<u>21,418</u>
Total capital assets at cost	<u>42,006</u>	<u>---</u>	<u>---</u>	<u>42,006</u>
Less: Accumulated depreciation	<u>( 13,621)</u>	<u>( 12,418)</u>	<u>---</u>	<u>( 26,039)</u>
Total capital assets, net	<u>\$ 28,385</u>	<u>(\$ 12,418)</u>	<u>\$ ---</u>	<u>\$ 15,967</u>

**Total Component Unit Capital Assets at December 31, 2009**\$ 52,340,207



## NOTE 7 - EMPLOYEE RETIREMENT TRUST PLAN

### Plan Description

The County of Cambria provides a single-employer defined benefit pension plan that is administered by the County Retirement Board. All employees working over 1,000 hours per year are required to enter the plan, and County elected officials have the option of enrolling in the plan. The plan is included in the financial statements of the County of Cambria as a retirement trust fund. The plan provides retirement, disability and death benefits to plan members and their beneficiaries pursuant to Act 96 of 1971 of the Commonwealth of Pennsylvania (County Pension Law), which may be amended by the General Assembly of the Commonwealth of Pennsylvania. Cost-of-living adjustments are provided at the discretion of the County Retirement Board.

### Basis of Accounting

The financial statements of the retirement trust fund are prepared on the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

### Valuation of Investments

All investments of the retirement trust fund are reported at fair value.

### Membership

Membership of the plan consisted of the following at December 31, 2009, the date of the latest actuarial valuation:

Retirees and Beneficiaries Receiving Benefits	770
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	324
Active Plan Members	802
	<u>1,896</u>

### Funding Policy

Plan members are required to contribute 9% of their salaries. The County contributions are determined as part of an annual actuarial valuation. Per Act 96 of 1971, as amended, contribution requirements of the plan members and the County may be amended by the General Assembly of the Commonwealth of Pennsylvania. Administrative costs of the plan are financed through investment earnings. All contributions are invested in a long-term pension trust, using an appropriately balanced portfolio of equities and debt instruments, to prudently maximize long-term investment returns.

### Actuarial Methods and Assumptions

The County has an actuarial valuation prepared on an annual basis. The following methods and assumptions were used to prepare the valuation:

Actuarial Cost Method:	Aggregate Actuarial Cost
Asset Valuation Method:	6-Year Smoothed Market Value and 2-Year adjusted cost (subject to 130% market cap)

Actuarial Assumptions:	
Investment Rate of Return	7.5% (Including 3% Inflation)
Projected Salary Increases	4.5% (Including 3% Inflation)
No Postretirement Benefit Increases	

### Annual Pension Cost and Net Pension Obligation

The County's Annual Required Contribution for 2009, was determined as part of the January 1, 2008, actuarial valuation. The County's annual required contribution and net pension obligation to the Cambria County Employee's Retirement System were \$1,695,028 for 2009. The County uses the aggregate actuarial cost method, which does not identify or separately amortize unfunded actuarial liabilities.

### Annual Pension Cost - Three-year Trend Information

<u>Year Ended</u>	<u>Annual Pension Cost</u>	<u>Percentage of Annual Pension Cost Contributed</u>	<u>Net Pension Obligation</u>
December 31, 2007	\$ 809,059	100%	\$ ---
December 31, 2008	\$ 257,140	100%	\$ ---
December 31, 2009	\$1,696,673	100%	\$ ---

## NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) UNDER GASB 45

### Plan Description

Cambria County sponsors a single-employer post retirement medical plan. The plan provides medical and death benefits to eligible retirees and their spouses.

### Funding Policy

The County intends to fully fund any annual short-fall between OPEB annual required contribution and actual pay-go expense into a legally executed trust fund. The trust fund will be invested as a long-term pension trust, using an appropriately balanced portfolio of equities and debt instruments, to prudently maximize long-term investment returns.

### Annual OPEB Cost and Net OPEB Obligation

The County's annual other post-retirement benefit (OPEB) cost (Expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over 30 years. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB Obligation.

### Components of Net OPEB Obligation

Annual Required Contribution	\$ 2,311,556
Interest on Net OPEB Obligation	69,748
Adjustment to Annual Required Contribution	(66,408)
Annual OPEB Cost (Expense)	2,314,896
Contributions Made or Accrued	(2,605,842)
(Decrease) in Net Obligation	(290,946)
Net OPEB Obligation 1/1/09	929,970
Net OPEB Obligation 12/31/09	<u>\$ 639,024</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2008 is as follows:

<u>Fiscal Year</u> <u>Ended</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage of</u> <u>OPEB Cost</u>	<u>Net OPEB</u> <u>Obligation</u>
12/31/09	\$2,314,896	112.6%	\$639,024
12/31/08	\$2,453,347	81.9%	\$929,970
12/31/07	\$2,425,470	79.9%	\$486,328

### Funded Status and Funding Progress

As of January 1, 2009, the most recent actuarial date, the plan was 0% funded. The actuarial accrued liability for benefits was \$27,463,391 and the actuarial value of assets was \$0 resulting in an unfunded actuarial accrued liability (UAAL) of \$27,463,391. The covered payroll (annual payroll of active employees covered by the plan) was \$19,080,000 and the ratio of the UAAL to the covered payroll was 144%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

### Actuarial Methods and Assumptions

The projection of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and includes the type of benefits provided at the time of each valuation and the historical pattern of sharing the benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2009 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 7.5% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan assets at the valuation date, and an annual healthcare cost trend rate of 8% initially, reduced by decrements to an ultimate rate of 5% after three years. The actuarial value of assets was determined using a standard balance portfolio expectation for retirement plan asset returns. The UAAL is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at January 1, 2009 was 28 years.

## **NOTE 9 - RISK MANAGEMENT**

The County is exposed to risk of loss related to self-insurance activities for workers' compensation. Laurel Crest Manor Enterprise Fund and the General Long-Term Debt Account Group account for the risk associated with the workers' compensation.

The County is self-insured for workers' compensation. The County has excess workers' compensation insurance with a self-insured retention per occurrence of \$325,000, and a maximum indemnity per occurrence of \$1,000,000.

As required by the Pennsylvania Department of Labor and Industry, the County has established an Expendable Trust Fund for workers' compensation. The purpose of the fund is to provide a source of funds for claimants entitled to benefits under Article III Section 305 of the Pennsylvania Workers' Compensation Act.

The County maintains workers' compensation reserves for claims incurred and claims incurred but not reported in the funds to which, per the County's estimate, they apply. The majority of the reserves are recorded in the Laurel Crest Manor Fund, an Enterprise Fund. The remainder is recorded in the General Long-Term Debt Account Group.

The accrued liability for workers' compensation is determined by an actuary in accordance with actuarial principles; such claims are not discounted. There have been no changes in insurance coverages, retention limits or excess loss policies from the prior year. The amounts of settlements for the past three fiscal years did not exceed excess loss insurance coverages.

All accrued workers' compensation self-insurance liabilities at December 31, 2009 are summarized as follows:

<u>Laurel Crest Manor Enterprise Fund</u>	<u>Long-Term Obligation</u>	<u>Total</u>
\$ <u>1,349,980</u>	\$ <u>1,054,300</u>	\$ <u>2,404,280</u>

The following summary provides aggregate information on workers' compensation self-insurance liabilities; incurred claims and payments during the years ended December 31, 2009 and 2008:

<u>Year</u>	<u>January 1, Liability</u>	<u>Incurred Claims</u>	<u>Payments</u>	<u>December 31, Liability</u>
2009	\$ <u>2,572,846</u>	\$ <u>302,652</u>	\$ <u>471,218</u>	\$ <u>2,404,280</u>
2008	\$ <u>2,601,169</u>	\$ <u>403,154</u>	\$ <u>431,477</u>	\$ <u>2,572,846</u>

## NOTE 10 - CAPITAL CONTRIBUTIONS

### Component Units

Summaries of the component units' capital contributions as of December 31, 2009 follow:

### **Municipal Airport Authority**

Certain expenditures for airport capital improvements are significantly funded through the Airport Improvement Program (AIP) of the FAA, with certain matching funds provided by the State and the Authority, or from various State allocations or grant programs. Capital assets purchased with funds contributed by federal and state governments through airport improvement grants are recorded at cost. Capital funding provided under government grants is considered earned as the related allowable expenditures are incurred.

Grants for capital asset acquisition, facility development and rehabilitation and eligible long-term planning studies are reported in the Statement of Revenues, Expenses, and Changes in Net Assets, after non-operating revenues and expenses as capital contributions which amounted to \$1,853,645 at December 31, 2009.

### **Transit Authority**

Capital grant contributions from federal and state governments amounted to \$661,195 for the Transit Authority at December 31, 2009.

### **Community College**

Capital grant contributions from federal and state governments amounted to \$242,093 for the College at December 31, 2009. This amount represents a grant from the Commonwealth of Pennsylvania Redevelopment Assistance Capital Program to assist with the College's building project.

## **NOTE 11 – LONG-TERM OBLIGATIONS**

Long-term liability activity for the year ended December 31, 2009, was as follows:

	<u>Balance 12/31/08</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/09</u>	<u>Amounts Due Within One Year</u>
<b>Governmental Activities:</b>					
Bonds and Notes Payable:					
1998 General Obligation Bonds	\$26,700,192	\$ ---	\$(1,173,276)	\$25,526,916	\$1,224,288
2006 General Obligation Notes	4,542,766	---	(255,140)	4,287,626	267,156
2006 Tax Exempt Bank Loan	7,225,679	---	(185,901)	7,039,778	195,570
2008 General Obligation Notes	6,000,000	---	(993,090)	5,006,910	5,006,910

Other Liabilities:					
Accrued Vacation	1,676,601	67,915	---	1,744,516	1,744,516
Accrued Sick Pay	595,359	41,712	---	637,071	---
OPEB Obligation	615,787	23,237	---	639,024	---
Estimated Workers' Compensation Liability	<u>886,032</u>	<u>168,268</u>	<u>---</u>	<u>1,054,300</u>	<u>---</u>
Governmental Activities Long-term Liabilities	<u>\$48,242,416</u>	<u>\$ 301,132</u>	<u>\$(2,607,407)</u>	<u>\$45,936,141</u>	<u>\$8,438,440</u>

	<u>Balance 12/31/08</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/09</u>	<u>Amounts Due Within One Year</u>
<b>Business-type Activities:</b>					
Bonds and Notes Payable:					
1998 General Obligation Bonds	\$ 4,704,808	\$ ---	\$ (206,724)	\$4,498,084	\$215,712
Other Liabilities:					
Accrued Vacation Pay	780,203	---	(770,038)	10,165	10,165
Accrued Sick Pay	323,803	---	(319,419)	4,384	---
OPEB Obligation	314,183	---	(314,183)	---	---
Estimated Workers' Compensation Liability	<u>1,686,814</u>	<u>---</u>	<u>(336,834)</u>	<u>1,349,980</u>	<u>---</u>
Business-type Activities Long-term Liabilities	<u>\$ 7,809,811</u>	<u>\$ ---</u>	<u>\$(1,947,198)</u>	<u>\$5,862,613</u>	<u>\$ 225,877</u>

### Description of Debt

Pertinent information regarding general obligation debt outstanding is presented below:

#### General Obligation Bonds, Series of 1998

The County issued \$40,835,000 in General Obligation Bonds in 1998 to partially advance refund the 1994 General Obligation Bond issue and finance capital improvements and renovations to certain County facilities. The balance outstanding amounted to \$30,025,000 at December 31, 2009 (final maturity in 2023).

### General Obligation Notes, Series of 2006:

In February 2006, the County issued \$5,202,356 in General Obligation Notes to advance refund the General Obligation Bonds in 1994. The 1994 General Obligation Notes were originally incurred to purchase certain equipment of the County and renovate the War Memorial Building. The balance outstanding at December 31, 2009 amounted to \$4,287,626 (final maturity in 2021).

The interest rate for the 2006 General Obligation Notes is fixed at 5.00% for a period of 15 years and then the interest rate is renewable at 70% of the Wall Street Journal Prime Rate. The maximum allowable interest rate is 10.00%

### Tax Exempt Bank Loan, Series of 2006

In February 2006, the County issued \$7,706,846 in a Tax Exempt Bank Loan to advance refund the 2000 General Obligation Notes. The General Obligation Notes in 2000 were incurred for the purpose of providing funds to pay for the lease rental debt with Cambria County Industrial Development Authority for capital projects. The balance outstanding amounted to \$7,039,778 (final maturity in 2030).

The interest rate for the 2006 Tax Exempt Bank Loan is fixed at 5.00% for the life of the loan.

### General Obligation Note, Series of 2008

In December 2008, the County issued a \$6,000,000 General Obligation Note to fund the unfunded debt incurred in connection with the operation of the County's Laurel Crest Rehabilitation Center. The balance outstanding amounted to \$5,006,910 (final maturity in 2014).

The interest rate for the 2008 General Obligation Note is a fully variable rate per year, adjusts monthly and is equal to the sum of the One-Month USD LIBOR BBA plus 275 basis points, which was 3.63% as of December 31, 2009. The maximum allowable interest rate is 9.50%.

### Debt Maturity

An analysis of debt service requirements to maturity on these obligations follows with the exception of accrued vacation pay and estimated workers' compensation liabilities.

	<u>Principal Requirements</u>	<u>Interest Requirements</u>	<u>Total Debt Service Requirements</u>
<b>1998 General Obligation Bonds</b>			
<b><u>Years Ending December 31:</u></b>			
2010	1,440,000	\$ 1,560,800	\$ 3,000,800
2011	1,520,000	1,481,600	3,001,600
2012	1,605,000	1,398,000	3,003,000
2013	1,695,000	1,309,725	3,004,725
2014	1,785,000	1,216,500	3,001,500
2015-2019	10,470,000	4,531,000	15,001,000



2020-2023	<u>11,510,000</u>	<u>1,524,000</u>	<u>13,034,000</u>
	<u>\$ 30,025,000</u>	<u>\$ 13,021,625</u>	<u>\$ 43,046,625</u>
To be Retired by:			
Business-Type Activities	\$ 4,498,084	\$ 1,950,639	\$ 6,448,723
Governmental Activities	<u>25,526,916</u>	<u>11,070,986</u>	<u>36,597,902</u>
	<u>\$ 30,025,000</u>	<u>\$ 13,021,625</u>	<u>\$ 43,046,625</u>
	<u>Principal</u>	<u>Interest</u>	<u>Total Debt</u>
	<u>Requirements</u>	<u>Requirements</u>	<u>Service</u>
			<u>Requirements</u>
<b>2006 General Obligation Notes</b>			
<u>Years Ending December 31:</u>			
2010	\$ 267,156	\$ 211,022	\$ 478,178
2011	279,436	197,510	476,946
2012	296,395	183,327	479,722
2013	307,808	168,364	476,172
2014	328,918	152,710	481,628
2015-2019	1,898,583	487,488	2,386,071
2020-2021	<u>909,330</u>	<u>57,659</u>	<u>966,989</u>
	<u>\$ 4,287,626</u>	<u>\$ 1,468,080</u>	<u>\$ 5,745,706</u>
To be Retired by:			
Business-Type Activities	\$ ---	\$ ---	\$ ---
Governmental Activities	<u>4,287,626</u>	<u>1,468,080</u>	<u>5,745,706</u>
	<u>\$ 4,287,626</u>	<u>\$ 1,468,080</u>	<u>\$ 5,745,706</u>
	<u>Principal</u>	<u>Interest</u>	<u>Total Debt</u>
	<u>Requirements</u>	<u>Requirements</u>	<u>Service</u>
			<u>Requirements</u>
<b>2006 Tax Exempt Bank Loans</b>			
<u>Years Ending December 31:</u>			
2010	\$ 195,570	\$ 349,320	\$ 544,890
2011	205,470	339,420	544,890
2012	215,872	329,018	544,890
2013	226,801	318,089	544,890
2014	238,283	306,607	544,890
2015-2019	1,385,046	1,339,403	2,724,449
2020-2024	1,772,976	951,473	2,724,449
2025-2029	2,269,559	454,890	2,724,449
2030	<u>530,201</u>	<u>14,688</u>	<u>544,889</u>
	<u>\$ 7,039,778</u>	<u>\$ 4,402,908</u>	<u>\$ 11,442,686</u>
To be Retired by:			
Business-Type Activities	\$ ---	\$ ---	\$ ---
Governmental Activities	<u>7,039,778</u>	<u>4,402,908</u>	<u>11,442,686</u>
	<u>\$ 7,039,778</u>	<u>\$ 4,402,908</u>	<u>\$ 11,442,686</u>

	<u>Principal Requirements</u>	<u>Interest Requirements</u>	<u>Total Debt Service Requirements</u>
<b>2008 General Obligation Notes</b>			
<u>Years Ending December 31:</u>			
2010	\$ <u>5,006,910</u>	<u>10,032</u>	\$ <u>5,016,942</u>
	\$ <u>5,006,910</u>	\$ <u>10,032</u>	\$ <u>5,016,942</u>
To be Retired by:			
Business-Type Activities	\$ ---	\$ ---	\$ ---
Governmental Activities	<u>5,006,910</u>	<u>10,032</u>	<u>5,016,942</u>
	\$ <u>5,006,910</u>	\$ <u>10,032</u>	\$ <u>5,016,942</u>

## NOTE 12 - CAPITAL LEASE

### Upper Yoder Township Authority

In June 2003, the County of Cambria and Upper Yoder Township Authority entered into an agreement for the Authority to purchase the County owned nursing home facility known as Laurel Crest Nursing and Special Care.

In connection with the purchase, the Authority entered into debt agreements with Somerset Trust Company in December 2003. The debt between the Authority and Somerset Trust Company consists of a "Bank Qualified Tax Exempt Guaranteed Lease Revenue Note" in the principal amount of \$9,500,000 and a "Taxable Guaranteed Lease Revenue Note" in the principal amount of \$2,000,000 over a term of 300 months, with monthly payments commencing on January 1, 2004. The current terms of the debt agreements call for monthly payments of \$66,308 to commence on January 1, 2004 through December 1, 2008.

In connection with the financing arrangements, a Guaranty Agreement was entered into between the County, Authority and Somerset Trust Company as of December 2003. The purpose of the guarantee agreement was to provide for the unconditional guarantee by the County of the timely payment of the principal of, and interest on, the \$11,500,000 debt between the Authority and Somerset Trust Company.

In order for the County to continue to operate the nursing facility, an "Agreement of Lease" was entered into between the County and Authority dated as of December 2003 that allows the County to continue to occupy the nursing facility. The term of the lease is from December 10, 2003 through November 30, 2028. The County shall pay to the Authority the minimum net annual rental due being an amount equal to the annual debt service requirements with respect to the Authority's \$11,500,000 debt with Somerset Trust Company.

Under the terms of the "Agreement of Lease", at any time the County will have the option of purchasing the facility from the Authority for \$1.00 plus the

amount, if any, required to defease the lien of the \$11,500,000 debt with Somerset Trust Company.

#### Series 2006A and 2006B Lease Revenue Notes

In February 2006, the County refinanced the Bank Qualified Tax Exempt Guaranteed Lease Revenue Note of 2003 with the Series 2006A Lease Revenue Note in the amount of \$9,128,264. The revised agreement calls for 45 semi-annual payments beginning June 1, 2006 through June 1, 2028. The current terms of the loan agreement call for semi-annual payments of \$341,910 after June 1, 2006. The Bank Qualified Tax Exempt Guaranteed Lease Revenue Note was originally incurred to lease back the Laurel Crest nursing home facility.

In addition to the Series 2006A Lease Revenue Note, the County refinanced their Taxable Guaranteed Lease Revenue Note of 2003 with the Series 2006B Lease Revenue Note in the amount of \$1,954,857. The revised agreement calls for 46 semi-annual payments beginning June 1, 2006 through December 1, 2028. The current terms of the loan agreement call for semi-annual payments of \$72,443 after June 1, 2006. The Taxable Guaranteed Lease Revenue Note was originally incurred to lease back the Laurel Crest nursing home facility.

#### Leases

In 2004, the County signed a contract with CLT Efficient Tech Group (CLT). The contract entailed having CLT install new lighting, chillers, air condition units, a laundry heat recovery system and an energy management system at Laurel Crest Manor for a total cost of \$1,606,989. The contract guarantees Laurel Crest Manor will save at least the amount of the total contract in energy savings over the next ten years or CLT will refund the difference. The project was funded under a capital lease, which requires a monthly payment of \$17,336, beginning November 15, 2004 for 114 months. The capital lease has an effective interest rate of approximately 4.5%.

During 2005, the County leased additional equipment costing \$579,091 through a capital lease, which requires monthly payments of \$6,100 for 120 months. The capital lease has an effective interest rate of approximately 4.5%. Equipment valued at \$316,093 was for Laurel Crest Manor and \$262,998 was for the courthouse. The required principal and interest payments will be paid back by the Laurel Crest Manor Fund and the Debt Service Fund based on the percentage of equipment allocated to Laurel Crest Manor and the General Fund.

During 2008, the County leased additional equipment costing \$580,620 through a capital lease, which requires a monthly payment varying from \$3,348 to \$5,700 for 180 months. The capital lease has an effective interest rate of 4.23%. Equipment valued at \$435,465 was for Laurel Crest Manor and \$145,155 was for general operations. The required principal and interest payments will be paid back by the Laurel Crest manor Fund and the Debt Service Fund based on the percentage of equipment allocated to Laurel Crest Manor and general operations.

During 2009, the County leased additional equipment costing \$170,000 through a capital lease, which requires a monthly payment of \$2,410 for 84 months. The capital lease has an effective interest rate of 4.33%. Equipment valued at \$127,500 was for Laurel Crest Manor and \$42,500 was for general operations. The required principal and interest payments will be paid back by the Laurel Crest manor Fund and the Debt Service Fund based on the percentage of equipment allocated to Laurel Crest Manor and general operations.

During 2009, the County entered into a lease purchase agreement for Voice over Internet Protocol (VoIP) equipment. The total value of the leased equipment amounted to \$994,565. The term of the lease is for 36 months with an effective interest rate of 5.91%.

During 2009, the County entered into a tax exempt municipal lease for various security upgrades for the Cambria County Prison. The total value of the leased equipment will be \$2,020,000. The term of the lease is for 7 years with an effective interest rate of 4.33%. As described in Note 13, the County has incurred \$1,750,000 in capital expenses as of December 31, 2009. The remaining lease obligation will be recorded in 2010 when the project is completed.

The required principal payments for the leases mentioned above for the next five years are as follows.

2010	\$ 1,115,366
2011	1,231,255
2012	946,432
2013	992,862
2014	901,051
Thereafter	<u>9,048,853</u>
	<u>\$ 14,235,819</u>

To be Retired by:

Business Type Activities	11,501,173
Government Type Activities	<u>2,734,646</u>

\$ 14,235,819

#### Cambria County General Financing Authority

In June of 2007, the County of Cambria entered into a sublease agreement with the Cambria County General Financing Authority, whereby the County of Cambria will make payments directly to a local financial institution equal to the amount of principal and interest payments due under a lease agreement between the local financial institution and the Cambria County General Financing Authority. The lease agreement between the Cambria County General Financing Authority and the local financial institution is for the lease of equipment constituting the network infrastructure supporting public safety/911 communications needs, traditional internet connectivity among school

districts within the County, and the expansion of the availability of high speed broadband internet access to education institutions and municipalities within the County, and providing for the payment of rent by the Authority in an amount equal to principal and interest on the aggregate cost of the equipment financed pursuant to the agreement and related issuance costs. The total value of the leased equipment amounted to \$10,000,000. The term of the lease is for 15 years with an effective interest rate of 4.356% with payments to commence on January 1, 2008. The required principal and interest payments will be paid back by the Cambria Connected Fund and the Debt Service Fund based on the percentage of equipment allocated to internet connectivity and 911 communications.

Under the terms of the lease, the County of Cambria is obligated for the following principal payments:

2010	\$ 530,134
2011	553,479
2012	577,851
2013	603,296
2014	629,862
Thereafter	<u>6,147,047</u>
	<u>\$ 9,041,669</u>

To be Retired by:

Business Type Activities	\$ 4,068,751
Government Type Activities	<u>4,972,918</u>
	<u>\$ 9,041,669</u>

## **NOTE 13 - COMMITMENTS AND CONTINGENCIES**

### **Cambria County Prison Security Upgrade Project Completion**

The County of Cambria is committed to the completion of the Prison Security Upgrade Project. As of December 31, 2009 the total amount of contracts committed amounted to \$2,020,000. Expenditures through December 31, 2009 amounted to \$1,750,000.

### **Component Units**

#### **Cambria County Redevelopment Authority**

##### **Guarantees of Indebtedness**

The Redevelopment Authority of Cambria County, as a lending agent, is acting as a guarantee of indebtedness in the Economic Development Partnership Loan Program. Under this program, the Department of Commerce loaned UMF Holding Company, Inc. of Cambria County an amount of \$800,000 to be repaid to

the Department over a fifteen-year period at two percent. The loan is to be used for expansion of current operations within the Company. In the event of default, the Redevelopment Authority as guarantor will be responsible for payments to the Department of Commerce. The balance of the loan as of December 31, 2009, was \$236,021.

The Authority, through the County of Cambria, is acting as a guarantee of indebtedness in the Federal Section 108 Loan Guarantee Program. The County of Cambria has guaranteed the county entitlement portion of the Community Development Block Grant ("CDBG") as collateral for loans in the amount of \$5,833,333. The Section 108 Loan Guarantee Program permits the borrowing of funds fully guaranteed by the Federal government which is in excess of the annual CDBG county entitlement. The funds were requested by Boscov's, Inc. a department store chain, for financial assistance in the purchase and restructure of the Company in order to emerge from bankruptcy. The Commonwealth of Pennsylvania has pledged funds to fully guarantee the payment of the Section 108 Loan should Boscov's default on its loan payments.

### **Penn Highlands Community College**

#### Guarantees of Indebtedness

In 2006, the State Public School Building Authority issued College Revenue Bonds, Series of 2006, in the amount of \$4,800,000. The bonds are being issued by the Authority on behalf of Pennsylvania Highlands Community College to finance a project consisting of the design, construction, improvement, and equipping of a portion of a building which is owned by the Richland School District and is to be leased to the College and which will be used by the College as its main campus.

The bonds will also be used in paying the costs and expenses of issuing and insuring the 2006 Bonds. In connection with the issuance of the 2006 Bonds, the Authority will enter into the loan agreement with the College, which requires the College to make loan repayments to the Authority in amounts sufficient to pay the debt service payments on the 2006 Bonds. The long-term debt is the general obligation of the College. In the event of default, Cambria County will be responsible for payments to the State Public School Building Authority. The balance of the loan as of June 30, 2009 was \$3,560,000.

### **NOTE 14 - COMPENSATED ABSENCES**

County policy applicable to vacation and sick pay for employees is as follows:

#### Vacation Pay

Time accrues at various rates based on length of service. Employees are encouraged to utilize earned vacation time by December 31, of each period.

### Sick Pay

County employees may accumulate their unused sick days up to a maximum of 150 days to be taken in any given year. Upon retirement, sick days do vest and employees are reimbursed for a portion of their accrued sick time.

The entire compensated absences liability is reported on the government-wide financial statements. On governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. The noncurrent portion of the liability is not reported. For enterprise funds, the entire amount of compensated absences is reported as a fund liability.

### **NOTE 15 - EXPENDITURES IN EXCESS OF BUDGET**

For the year ended December 31, 2009, the following funds' expenditures exceeded budget by the following amounts:

<u>Fund</u>	<u>Amount</u>
Detention/Shelter	\$ 48,198
Hotel Tax	42,082
Foster Grandparents	27,883
Mental Health/Mental Retardation	1,832,169
Capital Projects/Major Improvements	1,497,299
Debt Service	301,137
Laurel Crest DME	95,629
Retirement	19,503

Additional unbudgeted sources of general and intergovernmental revenue received in the current year or appropriations in the subsequent year provide the authority for these over expenditures.

### **NOTE 16 - ACCOUNTABILITY**

The following funds had deficit fund balances or retained deficits as of December 31, 2009.

<u>Fund</u>	<u>Amount</u>
Laurel Crest Manor	\$6,168,208
Cambria Connected	807,742
Debt Service Fund	288,080
Parks and Playground Fund	615,317

## NOTE 17 - RELATED PARTY TRANSACTIONS

### **County Appropriations to Component Units:**

The County provides appropriations to several of its Component Units that are disclosed in Note 1A of the financial statements.

Cambria County Planning Commission	\$ <u>87,750</u>
Cambria Library Association	\$ <u>614,678</u>
Cambria County Municipal Airport Authority	\$ <u>170,500</u>
Cambria County Transit Authority	\$ <u>684,954</u>
Cambria County Solid Waste Management Authority	\$ <u>285,000</u>
Cambria County Conservation and Recreation Authority	\$ <u>105,520</u>
Pennsylvania Highlands Community College	\$ <u>1,206,227</u>

### **County Appropriations to Related Organizations:**

Cambria County Child Development Corp.	\$ <u>5,109,418</u>
Cambria County Industrial Development Authority	\$ <u>50,000</u>
Upper Yoder Township Authority	\$ <u>828,706</u>
Cambria Somerset Authority	\$ <u>180,000</u>
Cambria County General Financing Authority	\$ <u>459,139</u>

### **Cambria Library Association**

The main library occupies a building owned by the County. The Association is not charged for the use of the facility and no value representing the rental value of the facility has been determined.



## NOTE 18 - LITIGATION

The County is involved in various lawsuits arising in the ordinary course of its municipal activities. The County Solicitor and County management believe that the resolution of these actions is not expected to have a material adverse effect on the financial statements of the County.

## NOTE 19 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The Enterprise Funds provide health care services (Laurel Crest Manor Fund and Laurel Crest D.M.E. Fund), building space for various human service agencies and third parties (Central Park Complex Fund), and provide network infrastructure supporting public safety/911 communications needs (Cambria Connected). Segment information applicable to these Enterprise Funds as of and for the year ended December 31, 2009, is as follows:

	<u>Laurel Crest Manor Fund</u>	<u>Laurel Crest D.M.E.</u>	<u>Central Park Complex</u>	<u>Cambria Connected</u>	<u>Total</u>
Operating Revenues	\$22,480,902	\$ 75,463	\$ 774,484	\$ 88,317	\$ 23,419,166
Depreciation and Amortization Expense	1,084,339	---	223,962	310,786	1,619,087
Operating Income/(Loss)	(1,261,338)	66,641	(81,591)	(520,947)	(1,797,235)
Net Income (Loss)	(1,820,574)	(20,166)	---	(608,354)	(2,449,094)
Fixed Asset Additions	1,032,715	---	---	17,688	1,050,403
Fixed Asset Deletions	590,697	---	---	---	590,697
Total Assets	32,016,990	---	4,627,192	5,883,451	42,527,633
Capital Leases	11,501,177	---	---	4,068,751	15,569,928
Bonds	---	---	4,498,084	---	4,498,084
Total Net Assets/(Deficit)	(6,168,208)	---	---	(807,742)	(6,975,950)

## NOTE 20 - SUBSEQUENT EVENT

### Tax Anticipation Note

In January 2010, the County issued a tax and revenue anticipation note of \$6,000,000 with an interest rate of 2.39%. The due date of the note is December 31, 2010.

### Laurel Crest Rehabilitation and Special Care Center

As of January 1, 2010, the County finalized the sale of Laurel Crest with Grane Healthcare. The County received sales proceeds totaling \$13,793,250 and Grane Healthcare received title to all Laurel Crest's fixed assets and assumed full responsibility for operations.

As a result of this transaction, the County will close out the Laurel Crest Manor Fund in 2010. After collection of current assets and payment of current liabilities, the remaining long-term liabilities will become general obligations of the County. In addition to the liabilities reported as of December 31, 2009, the County will be obligated to pay \$6,473,944 to the County Commissioners Association of PA(CCAP), which represents grants from prior years used to upgrade the facility. The net loss from the transaction in the 2010 Government-Wide Financial Statements is expected to be as follows:

Fixed assets net book value – 12/31/09	\$ (15,627,545)
Proceeds received-net of closing costs	13,365,750
Additional CCAP liability	<u>(6,473,944)</u>
Net economic (loss) from sale of Laurel Crest	\$ <u>(8,735,739)</u>

The reconciliation of the loss from this transaction from the Individual Fund Level Financial Statements to the Government-Wide Statement of Activities is expected to be as follows:

Laurel Crest Manor Fund- gain from sale	\$ <u>6,168,208</u>
General Fund- (loss) from sale	(2,232,174)
Governmental Activities-assumption of long term liabilities	<u>( 12,671,773)</u>
Governmental Activities- loss from sale	<u>( 14,903,947)</u>
Net (loss)-Total Primary Government	\$ <u>( 8,735,739)</u>

Although the economic loss reported in the Government-Wide Financial Statements will be significant, the sale of Laurel Crest is expected to relieve the County of Cambria from the on-going funding of current deficits within Laurel Crest Manor.

Fund balance within the General Fund has been reserved as of December 31, 2009 to cover the expected general fund (loss) from sale of Laurel Crest (\$2,232,174).

#### General Obligation Note, Series of 2008

In January 2010, the General Obligation Note, Series of 2008 was paid in full from a portion of the proceeds from the sale of Laurel Crest.

REQUIRED  
SUPPLEMENTARY  
INFORMATION

COUNTY OF CAMBRIA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
<b>Revenues</b>				
Real estate taxes	\$ 31,444,107	\$ 31,444,107	\$ 31,705,086	\$ 260,979
Charges for services	9,295,653	9,324,921	8,072,904	(1,252,017)
Interest and investment income	253,000	253,000	105,026	(147,974)
Intergovernmental revenues	8,880,377	10,577,198	9,303,034	(1,274,164)
Other	620,307	620,307	758,616	138,309
<b>Total Revenues</b>	<b>50,493,444</b>	<b>52,219,533</b>	<b>49,944,666</b>	<b>(2,274,867)</b>
<b>Expenditures</b>				
General government - Administrative	5,995,156	5,677,627	4,839,387	838,240
General government - Judicial	6,463,703	6,570,298	6,439,850	130,448
Public safety	12,213,437	13,805,876	13,486,026	319,850
Public works	854,137	864,137	854,923	9,214
Human services	6,706,500	6,827,727	6,752,035	75,692
Culture and recreation	750,907	794,818	613,416	181,402
Conservation and development	1,334,504	1,501,950	1,045,369	456,581
Employee benefits	5,269,038	5,271,038	5,145,390	125,648
Debt service	204,300	204,300	219,081	(14,781)
Capital Projects	-	-	994,565	(994,565)
<b>Total Expenditures</b>	<b>39,791,682</b>	<b>41,517,771</b>	<b>40,390,042</b>	<b>1,127,729</b>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>10,701,762</u>	<u>10,701,762</u>	<u>9,554,624</u>	<u>(1,147,138)</u>
<b>Other Financing Sources/(Uses)</b>				
Proceeds from Capital Lease	-	-	994,565	994,565
Operating transfers in	884,405	884,405	1,119,596	235,191
Operating transfers (out)	(11,586,167)	(11,586,167)	(11,532,624)	53,543
<b>Total Other Financing Sources/(Uses)</b>	<u>(10,701,762)</u>	<u>(10,701,762)</u>	<u>(9,418,463)</u>	<u>1,283,299</u>
Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	<u>-</u>	<u>-</u>	<u>136,161</u>	<u>136,161</u>
Fund Balance/(Deficit) - Beginning of Year	<u>-</u>	<u>-</u>	<u>8,408,782</u>	<u>8,408,782</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,544,943</u>	<u>\$ 8,544,943</u>

See Independent Auditor's Report

COUNTY OF CAMBRIA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - CAPITAL PROJECTS FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
Revenues				
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Interest and investment income	1,000	1,000	1,836	836
Other income	-	-	-	-
Total Revenues	1,000	1,000	1,836	836
Expenditures				
General government - administrative	-	-	-	-
Capital Projects	275,000	275,000	1,772,299	(1,497,299)
Total Expenditures	275,000	275,000	1,772,299	(1,497,299)
(Deficiency)/Excess of Revenue Over/(Under)				
Expenditures	(274,000)	(274,000)	(1,770,463)	(1,496,463)
Other Financing Sources/(Uses)				
Proceeds from Note	-	-	1,792,501	1,792,501
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Total Other Financing Sources/ (Uses)	-	-	1,792,501	1,792,501
Excess of Revenues and Other Financing Sources Over/(Under)				
Expenditures and Other Financing Uses	(274,000)	(274,000)	22,038	296,038
Fund Balance/(Deficit) - Beginning of Year	-	-	986,670	986,670
Fund Balance - End of Year	\$ (274,000)	\$ (274,000)	\$ 1,008,708	\$ 1,282,708

See Independent Auditor's Report

COUNTY OF CAMBRIA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - MH/MR FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
Revenues				
Intergovernmental revenues	\$ 16,637,954	\$ 16,637,954	\$ 17,602,460	\$ 964,506
Charges for services	1,770,000	1,770,000	2,695,461	925,461
Interest and investment income	0	0	25,784	25,784
Other income	150,000	150,000	66,418	(83,582)
Total Revenues	18,557,954	18,557,954	20,390,123	1,832,169
Expenditures				
Human services	18,932,954	18,932,954	20,765,123	(1,832,169)
Total Expenditures	18,932,954	18,932,954	20,765,123	(1,832,169)
(Deficiency)/Excess of Revenue Over/(Under)				
Expenditures	(375,000)	(375,000)	(375,000)	-
Other Financing Sources/(Uses)				
Operating transfers in	375,000	375,000	375,000	-
Operating transfers (out)	-	-	-	-
Total Other Financing Sources/ (Uses)	375,000	375,000	375,000	-
Excess of Revenues and Other Financing Sources Over/(Under)	-	-	-	-
Expenditures and Other Financing Uses	-	-	-	-
Fund Balance/(Deficit) - Beginning of Year	-	-	-	-
Fund Balance - End of Year	\$ -	\$ -	\$ -	\$ -

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COUNTY OF CAMBRIA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL -HEALTH CHOICES FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
Revenues				
Intergovernmental revenues	27,000,000	27,000,000	\$ 30,497,779	\$ 3,497,779
Charges for services	-	-	-	-
Interest and investment income	-	-	-	-
Other income	-	-	-	-
Total Revenues	27,000,000	27,000,000	30,497,779	3,497,779
Expenditures				
Health Choices	27,000,000	27,000,000	30,497,779	(3,497,779)
Total Expenditures	27,000,000	27,000,000	30,497,779	(3,497,779)
(Deficiency)/Excess of Revenue Over/(Under)				
Expenditures	-	-	-	-
Other Financing Sources/(Uses)				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Total Other Financing Sources/ (Uses)	-	-	-	-
Excess of Revenues and Other Financing Sources Over/(Under)				
Expenditures and Other Financing Uses	-	-	-	-
Fund Balance/(Deficit) - Beginning of Year	-	-	-	-
Fund Balance - End of Year	\$ -	\$ -	\$ -	\$ -

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COUNTY OF CAMBRIA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL -CHILDREN AND YOUTH FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable/ (Unfavorable)
Revenues				
Intergovernmental revenues	\$10,023,788	\$10,023,788	\$ 7,336,542	\$ (2,687,246)
Charges for services	175,000	175,000	151,537	(23,463)
Interest and investment income	600	600	57	(543)
Other income	-	-	644	644
Total Revenues	10,199,388	10,199,388	7,488,780	(2,710,608)
Expenditures				
Human services	11,996,194	11,996,194	8,501,224	3,494,970
Total Expenditures	11,996,194	11,996,194	8,501,224	3,494,970
(Deficiency)/Excess of Revenue Over/(Under)				
Expenditures	(1,796,806)	(1,796,806)	(1,012,444)	784,362
Other Financing Sources/(Uses)				
Operating transfers in	1,796,806	1,796,806	1,012,444	(784,362)
Operating transfers (out)	-	-	-	-
Total Other Financing Sources/ (Uses)	1,796,806	1,796,806	1,012,444	(784,362)
Excess of Revenues and Other Financing Sources Over/(Under)				
Expenditures and Other Financing Uses	-	-	-	-
Fund Balance/(Deficit) - Beginning of Year	-	-	-	-
Fund Balance - End of Year	\$ -	\$ -	\$ -	\$ -

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SUPPLEMENTARY  
INFORMATION

COUNTY OF CAMBRIA  
EMPLOYEE RETIREMENT PLAN -  
SUPPLEMENTARY INFORMATION  
ANALYSIS OF FUNDING  
FOR THE YEAR ENDED DECEMBER 31, 2009

Schedule of Employer Contributions - Six Year Supplementary Information

<u>Year Ended</u>	<u>Annual Required Contribution ("ARC")</u>	<u>Percentage of ARC Contributed</u>
December 31, 2004	\$ 715,840	101%
December 31, 2005	\$ 534,896	108%
December 31, 2006	\$ 623,387	100%
December 31, 2007	\$ 806,997	100%
December 31, 2008	\$ 255,108	100%
December 31, 2009	\$ 1,695,028	100%

Funded Status and Funding Progress

As of January 1, 2010, the most recent actuarial valuation date, the Plan was valued under the aggregate cost method. In order to comply with the requirements of GASB Statement 50, actuarial valuation components have also been determined, using the same array of actuarial assumptions, under the Entry Age Actuarial Cost Method as a surrogate method for reporting and tracking funding progress. Under this surrogate basis, the Plan was 79.9 percent funded. The Entry Age actuarial accrued liability for benefits was \$186.6 million, and the actuarial value of assets was \$149 million, resulting in an unfunded Entry Age actuarial accrued liability (UAAL) of \$37.6 million. The covered payroll (annual payroll of active employees covered by the Plan) was \$41.8 million and the ratio of the UAAL to the covered payroll was 90 percent.

**COUNTY OF CAMBRIA  
NONMAJOR FUNDS**

The following are the County's nonmajor funds, for the year ending December 31, 2009:

**DEBT SERVICE FUND:**

**DEBT SERVICE FUND:** The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

**SPECIAL REVENUE FUNDS:**

**HOTEL TAX FUND:** Each hotel in Cambria County is responsible for collecting a 3% room tax on each room rented on a non-permanent basis. Each hotel remits their collections to the County and the County uses these proceeds for promoting tourism in the area.

**REDEVELOPMENT AUTHORITY:** This fund receives funds from the state and passes them through to the Redevelopment Authority of Cambria County.

**LIQUID FUELS TAX FUND:** The County receives grants from the state and federal government to repair or replace county owned bridges. In addition, the County receives a portion of the overall state's liquid fuels tax. The County reallocates a portion of these amounts to all municipalities within Cambria County based upon their requests and final decision of the County Commissioners. The remaining liquid fuels monies are used for bridge repair and maintenance.

**911 EMERGENCY COMMUNICATIONS FUND:** The 911 fund is funded by a \$1.25 charge per phone line in the County. The fee is collected by each local telephone company and remitted monthly to the County net of the telephone company's admin fee. The admin fee cannot exceed 2% of total fees. The fund also collects fees for tower rentals, alarm monitoring, and dispatching. In addition, the county funds a portion of the overall cost of running the facility not covered by the per line fee. The fees are used to run the entire emergency communications including 911 call answering, dispatch, etc.

**DOMESTIC RELATIONS OFFICE FUND:** The PA Department of Welfare provides IV-D monies. These monies are comprised of both state and federal funding. The department uses the funds to provide citizens of Cambria County with domestic relations support. This primarily entails establishment and enforcement of child support orders.

**DRUG & ALCOHOL FUND:** The PA Department of Health and the PA Department of Welfare provide the majority of the funding for this program. This funding is comprised of both state and federal monies. The program provides drug and alcohol treatment programs, prevention programs, counseling and in-home service to Cambria County residents.

**DETENTION/SHELTER FUND:** This program is funded by contracts with 19 counties, including Cambria County, to house delinquent children. In addition, the program receives monies under the Federal School Lunch program. The Detention Home is a 24-hour maximum security facility for youth ages 10-18. The Shelter is a 24-hour staff security facility for youth ages 10-18 with a 30 day limit. The school lunch program provides nutrition funding for breakfast and lunch for all residents.

**JUVENILE PROBATION FUND:** The PA Department of Welfare (state and federal monies), PA Commission on Crime and Delinquency (state and federal monies), and the Juvenile Court Judges Commission (state monies) along with County monies provide the funding to run the Juvenile Probation Office. The funds are used to administer the entire Juvenile Court process.

**JAIL/DETENTION FUND:** The purpose of this fund is to segregate the jail/detention charges aspect of the Driving Under the Influence fund into a separate fund.

**PARKS & PLAYGROUNDS:** The Parks & Playgrounds Fund is used to account for the accumulation of resources for, and the payment of, operational and capital expenditures of County owned parks and playgrounds.

**AREA AGENCY ON AGING FUND:** The PA Department of Aging provides the majority of the funding for this program. This funding is comprised of both state and federal monies. The agency uses these monies to benefit any Cambria County citizen over age 55 (e.g. Meals on Wheels, Senior Centers).

**HUMAN SERVICES FUND:** The PA Department of Welfare provides the majority of the funding for this program. This funding is comprised of all state monies. The fund is used to fill in the gaps of the Human Services agencies (i.e. Aging, Children & Youth, Drug & Alcohol, and Mental Health/Mental Retardation).

**FOSTER GRANDPARENT FUND:** The Foster Grandparent program receives federal funding through the National Senior Service Corporation. The program is made up of individuals 60 years and older who volunteer 20 hours a week and receive a small stipend. These individuals work with children with special needs at head starts, schools, day care centers, emergency shelters, and hospitals.

**SUBSTANCE ABUSE FUND:** The purpose of this fund is to segregate the substance abuse aspect of the Driving Under the Influence fund into a separate fund.

**FARMLAND PRESERVATION FUND:** The PA Department of Agriculture funds this program along with a contribution from Cambria County. The program's purpose is to buy easement rights or development rights to local farms. By doing so, the farms will remain as farms forever. If a farmer wants to be considered for the program, an appraisal must be performed. The farmer will pay a \$1,500 appraisal security deposit. If the farmer opts into the program, the \$1,500 deposit is returned. If refused, the \$1,500 deposit is kept to cover the appraisal fee.

**DRIVING UNDER THE INFLUENCE FUND:** The Cambria County Clerk of Courts collects court ordered fees monthly and deposits it to the DUI Fund. The fees include CRN (Court Related Network), Tuition (regular or ARD), and Breathalyzer. The fees are used as approved by President Judge Long for court-related imprisonment issues such as drug and alcohol education, or help with the detention home, jail, or prisoners.

**AFFORDABLE HOUSING FUND:** The Recorder of Deeds for the County collects a \$13 fee for each deed or mortgage recorded. This fee is remitted to the County at the end of each month. The funds are used paid out to the Cambria County Redevelopment Authority on an as needed basis for assisting Cambria County citizens with affordable housing.

**REGISTER OF WILLS AUTOMATION FUND:** The Office of the Register of Wills collects a fee for services provided. This money may be used to improve the Register of Wills automation (e.g. purchase of computers, printers, computer systems or installation of new wiring).

**CHESAPEAKE BAY FUND:** The PA Department of Environmental Protection funds this program to the County Conservation District. The funds are used for soil and water conservation on local farms to protect the Chesapeake Bay Watershed in Cambria County (40% of the County is in the watershed) and a small portion of Indiana County.

**DIRT & GRAVEL ROAD FUND:** The State Conservation Commission apportions the Dirt and Gravel Maintenance fund to the County Conservation District. The funds are used to fund “environmentally sound” maintenance of unpaved roadways that have been identified as sources of dust and sediment pollution.

**PROTHONOTARY AUTOMATION FUND:** The Office of Prothonotary collects a \$5 fee per new item recorded (e.g. divorce, custody agreement, etc). This money may be used to improve the Prothonotary’s Office automation (e.g. purchase of computers, printers, computer systems, or installation of new wiring).

**CLERK OF COURTS AUTOMATION FUND:** The Clerk of Courts office collects a \$5 fee per new case. This money may be used to improve the Clerk of Courts Office automation (e.g. purchase of computers, printers, computer systems, or installation of new wiring).

**COUNTY RECORDS IMPROVEMENT FUND:** The Cambria County Recorder of Deeds collects a \$2 fee on each recorded deed. One dollar of the fee can be used by the County to maintain and improve the retention of County records. The second dollar is to be used exclusively by the Recorder of Deeds office to maintain and improve their records retention.

**HAZARDOUS MATERIALS EMERGENCY RESPONSE ACCOUNT FUND (HMER):** The main source of revenue for this fund comes from Company assessment fees. These fees are charged to businesses, e.g., Agway, on an annual basis that use, manufacture or transport hazardous chemicals or materials. The HMER agency sends an invoice to a business asking for composition and fee calculation for all hazardous materials on-sight, the fee amounting to \$75 per each hazardous material. In addition an annual \$100 fee is charged for the agency developing an emergency response plan for any occurrence of an accidental release of hazardous materials, such as a road spill or a release into the atmosphere. The State matches the Company assessments dollar for dollar, subject to funds availability, and forwards the matching to this agency which deposits these monies into this fund.

**SPECIAL HAZARDOUS ASSISTANCE RESPONSE TEAM FUND (SHARP):** This fund is related to the HMER fund discussed above in that the SHARP fund is comprised of volunteers who are paged to respond to emergency situations. These individuals operate a HAZMAT (hazardous materials) truck (a self-contained response truck) which aids in the assistance of responding to and cleaning up an accident site. After this team has responded to an accident, this agency will send out a billing to the responsible party for the rendered services. If the team was assisted by another unit, such as a fire company, in taking care of an accident, this agency will make certain that the assisting unit will receive its proper share of the billing.

COUNTY OF CAMBRIA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2009

	Debt Service Fund	Hotel Tax Fund	Redevelopment Authority	Liquid Fuels Tax Fund
	<u>ASSETS</u>			
Assets				
Cash and cash equivalents	\$ 29,984	\$ 14,157	\$ -	\$ 572,750
Restricted Cash	-	-	-	-
Accounts receivable	-	52,173	-	-
Due from other governments	-	-	-	-
Prepaid expenses and other assets	-	-	-	-
Due from other funds	678,626	-	-	-
	<u>678,626</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 708,610</u>	<u>\$ 66,330</u>	<u>\$ -</u>	<u>\$ 572,750</u>
	<u>LIABILITIES AND FUND BALANCE</u>			
Liabilities				
Accounts payable and accrued liabilities	\$ -	\$ 65,004	\$ -	\$ -
Deferred revenues	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	996,689	-	-	-
	<u>996,689</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>996,689</u>	<u>65,004</u>	<u>-</u>	<u>-</u>
Fund Balance				
Unreserved	<u>(288,080)</u>	<u>1,327</u>	<u>-</u>	<u>572,750</u>
Total Fund Balance	<u>(288,080)</u>	<u>1,327</u>	<u>-</u>	<u>572,750</u>
Total Liabilities and Fund Balance	<u>\$ 708,609</u>	<u>\$ 66,331</u>	<u>\$ -</u>	<u>\$ 572,750</u>

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COUNTY OF CAMBRIA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2009

	911 Emergency Communication Fund	Domestic Relations Office Fund	Drug and Alcohol Fund
	<u>ASSETS</u>		
Assets			
Cash and cash equivalents	\$ 199,201	\$ 352	\$ 79,618
Restricted Cash	444,874	-	-
Accounts receivable	120,096	-	-
Due from other governments	-	524,959	-
Prepaid expenses and other assets	-	-	-
Due from other funds	<u>530,432</u>	<u>-</u>	<u>392,370</u>
Total Assets	<u>\$ 1,294,603</u>	<u>\$ 525,311</u>	<u>\$ 471,988</u>
	<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities			
Accounts payable and accrued liabilities	\$ 138,963	\$ 72,317	\$ 249,584
Deferred revenues	444,874	-	222,404
Due to other governments	-	-	-
Due to other funds	<u>-</u>	<u>452,994</u>	<u>-</u>
Total Liabilities	<u>583,837</u>	<u>525,311</u>	<u>471,988</u>
Fund Balance			
Unreserved	<u>710,766</u>	<u>-</u>	<u>-</u>
Total Fund Balance	<u>710,766</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 1,294,603</u>	<u>\$ 525,311</u>	<u>\$ 471,988</u>

See Independent Auditor's Report

COUNTY OF CAMBRIA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2009

	<u>Detention/ Shelter Fund</u>	<u>Juvenile Probation Fund</u>	<u>Jail/ Detention Fund</u>	<u>Parks &amp; Playgrounds Fund</u>
<u>ASSETS</u>				
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ 29,004	\$ -
Restricted Cash	-	-	-	-
Accounts receivable	-	-	1,739	-
Due from other governments	61,885	584,187	-	-
Prepaid expenses and other assets	-	-	-	-
Due from other funds	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 61,885</u>	<u>\$ 584,187</u>	<u>\$ 30,743</u>	<u>\$ -</u>
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities				
Accounts payable and accrued liabilities	\$ 40,369	\$ 121,387	\$ -	\$ -
Deferred revenues	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	21,516	462,800	-	615,317
	<u>21,516</u>	<u>462,800</u>	<u>-</u>	<u>615,317</u>
Total Liabilities	<u>61,885</u>	<u>584,187</u>	<u>-</u>	<u>615,317</u>
Fund Balance				
Unreserved	-	-	30,743	(615,317)
	<u>-</u>	<u>-</u>	<u>30,743</u>	<u>(615,317)</u>
Total Fund Balance	<u>-</u>	<u>-</u>	<u>30,743</u>	<u>(615,317)</u>
Total Liabilities and Fund Balance	<u>\$ 61,885</u>	<u>\$ 584,187</u>	<u>\$ 30,743</u>	<u>\$ -</u>

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COUNTY OF CAMBRIA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2009

	Area Agency on Aging Fund	Human Services Fund	Foster Grand- Parents Fund	Substance Abuse Fund
	<u>ASSETS</u>			
Assets				
Cash and cash equivalents	\$ 1,067	\$ 26	\$ 14	\$ 135
Restricted Cash	-	-	-	-
Accounts receivable	-	-	-	28,433
Due from other governments	500,775	-	-	-
Prepaid expenses and other assets	-	-	-	-
Due from other funds	1,132,331	70,475	18,094	469,730
	<u>1,132,331</u>	<u>70,475</u>	<u>18,094</u>	<u>469,730</u>
Total Assets	<u>\$ 1,634,173</u>	<u>\$ 70,501</u>	<u>\$ 18,108</u>	<u>\$ 498,298</u>
	<u>LIABILITIES AND FUND BALANCE</u>			
Liabilities				
Accounts payable and accrued liabilities	\$ 293,736	\$ 41,404	\$ 2,365	\$ 10,460
Deferred revenues	1,340,437	29,097	15,743	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>1,634,173</u>	<u>70,501</u>	<u>18,108</u>	<u>10,460</u>
Fund Balance				
Unreserved	-	-	-	487,838
	<u>-</u>	<u>-</u>	<u>-</u>	<u>487,838</u>
Total Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>487,838</u>
Total Liabilities and Fund Balance	<u>\$ 1,634,173</u>	<u>\$ 70,501</u>	<u>\$ 18,108</u>	<u>\$ 498,298</u>

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COUNTY OF CAMBRIA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2009

	Farmland Preservation Fund	Driving Under the Influence Fund	Affordable Housing Fund	Register of Wills Automation Fund
<u>ASSETS</u>				
Assets				
Cash and cash equivalents	\$ 15,035	\$ 276	\$ 51,904	\$ 4,596
Restricted Cash	-	-	-	-
Accounts receivable	-	60,873	-	445
Due from other governments	13,029	-	10,856	-
Prepaid expenses and other assets	-	-	-	-
Due from other funds	15,132	1,096,050	-	-
	<u>43,196</u>	<u>1,157,199</u>	<u>62,760</u>	<u>5,041</u>
Total Assets	<u>\$ 43,196</u>	<u>\$ 1,157,199</u>	<u>\$ 62,760</u>	<u>\$ 5,041</u>
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities				
Accounts payable and accrued liabilities	\$ 1,707	\$ 30,471	\$ -	\$ 1,000
Deferred revenues	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
	<u>1,707</u>	<u>30,471</u>	<u>-</u>	<u>1,000</u>
Total Liabilities	<u>1,707</u>	<u>30,471</u>	<u>-</u>	<u>1,000</u>
Fund Balance				
Unreserved	41,489	1,126,728	62,760	4,041
	<u>41,489</u>	<u>1,126,728</u>	<u>62,760</u>	<u>4,041</u>
Total Fund Balance	<u>41,489</u>	<u>1,126,728</u>	<u>62,760</u>	<u>4,041</u>
Total Liabilities and Fund Balance	<u>\$ 43,196</u>	<u>\$ 1,157,199</u>	<u>\$ 62,760</u>	<u>\$ 5,041</u>

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COUNTY OF CAMBRIA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2009

	Chesapeake Bay Fund	Dirt and Gravel Road Fund	Prothonotary Automation Fund	Clerk of Courts Automation Fund
<u>ASSETS</u>				
Assets				
Cash and cash equivalents	\$ -	\$ 70,970	\$ 57,479	\$ 34,266
Restricted Cash	-	-	-	-
Accounts receivable	-	-	-	-
Due from other governments	-	-	1,170	839
Prepaid expenses and other assets	-	-	-	-
Due from other funds	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ -</u>	<u>\$ 70,970</u>	<u>\$ 58,649</u>	<u>\$ 35,105</u>
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 630	\$ -
Deferred revenues	-	70,970	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>70,970</u>	<u>630</u>	<u>-</u>
Fund Balance				
Unreserved	-	-	58,019	35,105
	<u>-</u>	<u>-</u>	<u>58,019</u>	<u>35,105</u>
Total Fund Balance	<u>-</u>	<u>-</u>	<u>58,019</u>	<u>35,105</u>
Total Liabilities and Fund Balance	<u>\$ -</u>	<u>\$ 70,970</u>	<u>\$ 58,649</u>	<u>\$ 35,105</u>

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COUNTY OF CAMBRIA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2009

	County Records Improvement Fund	HMER Fund	SHARP Fund	Total
	<u>ASSETS</u>			
Assets				
Cash and cash equivalents	\$ 87,564	\$ 70,756	\$ 22,354	\$ 1,341,508
Restricted Cash	-	-	-	444,874
Accounts receivable	-	-	-	263,759
Due from other governments	7,335	13,286	-	1,718,321
Prepaid expenses and other assets	-	-	-	-
Due from other funds	2,407	91	-	4,405,738
	<u>2,407</u>	<u>91</u>	<u>-</u>	<u>4,405,738</u>
Total Assets	<u>\$ 97,306</u>	<u>\$ 84,133</u>	<u>\$ 22,354</u>	<u>\$ 8,174,200</u>
	<u>LIABILITIES AND FUND BALANCE</u>			
Liabilities				
Accounts payable and accrued liabilities	\$ 38,290	\$ 3,280	\$ -	\$ 1,110,967
Deferred revenues	-	-	-	2,123,525
Due to other governments	-	-	-	-
Due to other funds	-	-	-	2,549,316
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,549,316</u>
Total Liabilities	<u>38,290</u>	<u>3,280</u>	<u>-</u>	<u>5,783,808</u>
Fund Balance				
Unreserved	59,016	80,853	22,354	2,390,392
	<u>59,016</u>	<u>80,853</u>	<u>22,354</u>	<u>2,390,392</u>
Total Fund Balance	<u>59,016</u>	<u>80,853</u>	<u>22,354</u>	<u>2,390,392</u>
Total Liabilities and Fund Balance	<u>\$ 97,306</u>	<u>\$ 84,133</u>	<u>\$ 22,354</u>	<u>\$ 8,174,200</u>

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COUNTY OF CAMBRIA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009

	Debt Service Fund	Hotel Tax Fund	Redevelopment Authority	Liquid Fuels Tax Fund
Revenues				
Intergovernmental revenues	\$ -	\$ -	\$ 1,471,598	\$ 688,123
Charges for services	-	-	-	-
Interest and investment income	25	119	-	2,718
Other income	-	368,291	-	14
Total Revenues	25	368,410	1,471,598	690,855
Expenditures				
Human services	-	-	-	-
General government - Judicial	-	-	-	-
Public works	-	-	-	467,470
Culture and recreation	-	-	-	-
Emergency communication services	-	-	-	-
Debt service	5,181,396	-	-	-
Conservation and development	-	361,031	1,471,598	-
Total Expenditures	5,181,396	361,031	1,471,598	467,470
(Deficiency)/Excess of Revenue Over/(Under) Expenditures	(5,181,371)	7,379	-	223,385
Other Financing Sources/(Uses)				
Operating transfers in	5,899,992	-	-	-
Operating transfers (out)	(828,706)	(6,052)	-	-
Total Other Financing Sources/ (Uses)	5,071,286	(6,052)	-	-
(Deficiency)/Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(110,085)	1,327	-	223,385
Fund Balance - Beginning of Year	(177,995)	-	-	349,365
Fund Balance - End of Year	\$ (288,080)	\$ 1,327	\$ -	\$ 572,750

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COUNTY OF CAMBRIA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009

	911 Emergency Communication Fund	Domestic Relations Office Fund	Drug and Alcohol Fund
Revenues			
Intergovernmental revenues	\$ 1,644,372	\$ 1,615,193	\$ 1,371,934
Charges for services	1,071,466	32,680	-
Interest and investment income	5,884	145	785
Other income	4,250	-	-
Total Revenues	<u>2,725,972</u>	<u>1,648,018</u>	<u>1,372,719</u>
Expenditures			
Human services	-	-	1,413,419
General government - Judicial	-	-	-
Public works	-	2,318,589	-
Culture and recreation	-	-	-
Emergency communication services	2,556,232	-	-
Debt service	-	-	-
Conservation and development	-	-	-
Total Expenditures	<u>2,556,232</u>	<u>2,318,589</u>	<u>1,413,419</u>
(Deficiency)/Excess of Revenue (Under) Expenditures	<u>169,740</u>	<u>(670,571)</u>	<u>(40,700)</u>
Other Financing Sources/(Uses)			
Operating transfers in	799,010	670,571	40,700
Operating transfers (out)	(360,837)	-	-
Total Other Financing Sources/ (Uses)	<u>438,173</u>	<u>670,571</u>	<u>40,700</u>
(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	<u>607,913</u>	<u>-</u>	<u>-</u>
Fund Balance - Beginning of Year	<u>102,853</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 710,766</u>	<u>\$ -</u>	<u>\$ -</u>

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COUNTY OF CAMBRIA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009

	Detention/ Shelter Fund	Juvenile Probation Fund	Jail/ Detention Fund	Parks & Playgrounds Fund
Revenues				
Intergovernmental revenues	\$ -	\$ 759,126	\$ -	\$ -
Charges for services	994,579	-	-	-
Interest and investment income	-	-	212	-
Other income	-	478,131	23,438	-
Total Revenues	994,579	1,237,257	23,650	-
Expenditures				
Human services	1,506,048	2,767,727	9,869	-
General government - Judicial	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	500,368
Emergency communication services	-	-	-	-
Debt service	-	-	-	-
Conservation and development	-	-	-	-
Total Expenditures	1,506,048	2,767,727	9,869	500,368
(Deficiency)/Excess of Revenue Over/(Under) Expenditures	(511,469)	(1,530,470)	13,781	(500,368)
Other Financing Sources/(Uses)				
Operating transfers in	511,469	1,530,470	-	590,559
Operating transfers (out)	-	-	-	-
Total Other Financing Sources/ (Uses)	511,469	1,530,470	-	590,559
Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	-	-	13,781	90,191
Fund Balance - Beginning of Year	-	-	16,962	(705,508)
Fund Balance - End of Year	\$ -	\$ -	\$ 30,743	\$ (615,317)

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COUNTY OF CAMBRIA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009

	Area Agency on Aging Fund	Human Services Fund	Foster Grand- Parent Fund	Substance Abuse Fund
Revenues				
Intergovernmental revenues	\$ 5,436,337	\$ 649,457	\$ 403,036	\$ -
Charges for services	469,035	-	-	-
Interest and investment income	9,360	535	284	3,114
Other income	16,952	-	244,564	307,955
Total Revenues	5,931,684	649,992	647,884	311,069
Expenditures				
Human services	5,931,684	649,992	647,884	-
General government - Judicial	-	-	-	258,724
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Emergency communication services	-	-	-	-
Debt service	-	-	-	-
Conservation and development	-	-	-	-
Total Expenditures	5,931,684	649,992	647,884	258,724
(Deficiency)/Excess of Revenue Over/(Under) Expenditures	-	-	-	52,345
Other Financing Sources/(Uses)				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Total Other Financing Sources/ (Uses)	-	-	-	-
Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	-	-	-	52,345
Fund Balance - Beginning of Year	-	-	-	435,493
Fund Balance - End of Year	\$ -	\$ -	\$ -	\$ 487,838

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COUNTY OF CAMBRIA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009

	Farmland Preservation Fund	Driving Under the Influence Fund	Affordable Housing Fund	Register of Wills Automation Fund
<b>Revenues</b>				
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Interest and investment income	125	7,552	1,276	24
Other income	14,158	672,253	120,956	7,675
<b>Total Revenues</b>	<b>14,283</b>	<b>679,805</b>	<b>122,232</b>	<b>7,699</b>
<b>Expenditures</b>				
Human services	-	-	-	-
General government - Judicial	-	257,871	-	6,687
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Emergency communication services	-	-	-	-
Debt service	-	-	-	-
Conservation and development	14,046	-	288,199	-
<b>Total Expenditures</b>	<b>14,046</b>	<b>257,871</b>	<b>288,199</b>	<b>6,687</b>
<b>Excess of Revenue Over/(Under) Expenditures</b>	<b>237</b>	<b>421,934</b>	<b>(165,967)</b>	<b>1,012</b>
<b>Other Financing Sources/(Uses)</b>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	(50,000)	-	-
<b>Total Other Financing Sources/ (Uses)</b>	<b>-</b>	<b>(50,000)</b>	<b>-</b>	<b>-</b>
<b>(Deficiency)/Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses</b>	<b>237</b>	<b>371,934</b>	<b>(165,967)</b>	<b>1,012</b>
<b>Fund Balance - Beginning of Year</b>	<b>41,252</b>	<b>754,794</b>	<b>228,727</b>	<b>3,029</b>
<b>Fund Balance - End of Year</b>	<b>\$ 41,489</b>	<b>\$1,126,728</b>	<b>\$ 62,760</b>	<b>\$ 4,041</b>

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COUNTY OF CAMBRIA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009

	Chesapeake Bay Fund	Dirt and Gravel Road Fund	Prothonotary Automation Fund	Clerk of Courts Automation Fund
Revenues				
Intergovernmental revenues	\$ 6,032	\$ 9,420	\$ -	\$ -
Charges for services	-	-	-	-
Interest and investment income	27	405	472	174
Other income	-	-	15,785	9,269
Total Revenues	<u>6,059</u>	<u>9,825</u>	<u>16,257</u>	<u>9,443</u>
Expenditures				
Human services	-	9,825	-	-
General government - Judicial	-	-	23,412	779
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Emergency communication services	-	-	-	-
Debt service	-	-	-	-
Conservation and development	-	-	-	-
Total Expenditures	<u>-</u>	<u>9,825</u>	<u>23,412</u>	<u>779</u>
Excess of Revenue Over/(Under) Expenditures	<u>6,059</u>	<u>-</u>	<u>(7,155)</u>	<u>8,664</u>
Other Financing Sources/(Uses)				
Operating transfers in	-	-	-	-
Operating transfers (out)	(6,059)	-	-	-
Total Other Financing Sources/ (Uses)	<u>(6,059)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	<u>-</u>	<u>-</u>	<u>(7,155)</u>	<u>8,664</u>
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>65,174</u>	<u>26,441</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,019</u>	<u>\$ 35,105</u>

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COUNTY OF CAMBRIA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009

	County Records Improvement Fund	HMER Fund	SHARP Fund	Total
Revenues				
Intergovernmental revenues	\$ -	\$ 26,570	\$ -	\$ 14,081,198
Charges for services	89,980	14,575	-	2,672,315
Interest and investment income	800	434	150	34,620
Other income	-	-	9,883	2,293,574
Total Revenues	90,780	41,579	10,033	19,081,707
Expenditures				
Human services	151,089	36,877	8,454	13,132,868
General government - Judicial	-	-	-	547,473
Public works	-	-	-	2,786,059
Culture and recreation	-	-	-	500,368
Emergency communication services	-	-	-	2,556,232
Debt service	-	-	-	5,181,396
Conservation and development	-	-	-	2,134,874
Total Expenditures	151,089	36,877	8,454	26,839,270
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	(60,309)	4,702	1,579	(7,757,563)
Other Financing Sources/(Uses)				
Operating transfers in	-	-	-	10,042,771
Operating transfers (out)	-	-	-	(1,251,654)
Total Other Financing Sources/ (Uses)	-	-	-	8,791,117
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(60,309)	4,702	1,579	1,033,554
Fund Balance - Beginning of Year	119,325	76,151	20,775	1,356,838
Fund Balance - End of Year	\$ 59,016	\$ 80,853	\$ 22,354	2,390,392

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COMPONENT UNIT COMBINING  
AND  
INDIVIDUAL FUND  
FINANCIAL STATEMENTS

COUNTY OF CAMBRIA  
COMBINING STATEMENT OF NET ASSETS - COMPONENT UNITS  
DECEMBER 31, 2009

	Planning Commission	Redevelopment Authority	Library Association	Municipal Airport Authority	Transit Authority
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	\$ 52,717	\$ 476,159	\$ 1,077,354	\$ 143,259	\$ 6,232,514
Investments	-	-	607,373	300,000	-
Restricted investments	-	-	329,986	-	-
Accounts receivable	14,142	-	30,645	12,029	162,456
Due from other governments	-	568,723	-	73,008	126,207
Inventory	-	-	-	-	460,886
Prepaid expenses and other assets	1,803	301,200	25,437	-	147,460
Total current assets	68,662	1,346,082	2,070,795	528,296	7,129,523
<b>Non-current assets</b>					
Fixed assets (net of accumulated depreciati	779	2,713	745,152	16,889,831	16,713,298
Deferred Costs	-	-	-	-	-
Total non-current assets	779	2,713	745,152	16,889,831	16,713,298
Total Assets	\$ 69,441	\$ 1,348,795	\$ 2,815,947	\$ 17,418,127	\$ 23,842,821
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Accounts payable and accrued liabilities	\$ 10,789	\$ 760,081	\$ 46,187	\$ 36,443	\$ 460,831
Deferred revenue	-	301,200	452,030	782,018	4,707,018
Due to other governments	-	245,515	-	-	-
Notes payable	-	-	-	49,503	-
Obligation under capital lease	-	-	-	-	-
Total current liabilities	10,789	1,306,796	498,217	867,964	5,167,849
<b>Non-current liabilities</b>					
Due to other governments	-	-	-	-	-
Notes payable	-	-	-	402,589	-
Obligation under capital lease	-	-	-	-	-
Total non-current liabilities	-	-	-	402,589	-
Total Liabilities	10,789	1,306,796	498,217	1,270,553	5,167,849
<b>NET ASSETS</b>					
Investment in fixed assets, net of related det	779	2,713	745,152	16,437,739	16,713,298
Restricted (Note 1m)	-	-	329,986	-	1,518,670
Unrestricted	57,873	39,286	1,242,592	(290,165)	443,004
Total Net Assets	58,652	41,999	2,317,730	16,147,574	18,674,972
Total Liabilities and Net Assets	\$ 69,441	\$ 1,348,795	\$ 2,815,947	\$ 17,418,127	\$ 23,842,821

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COUNTY OF CAMBRIA  
COMBINING STATEMENT OF NET ASSETS - COMPONENT UNITS  
DECEMBER 31, 2009

	Solid Waste Management Authority	Conservation and Recreation Authority	Community College	Behavioral Health of Cambria County	Totals
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	\$ 106,085	\$ 797,876	\$ 2,707,281	\$ 620,633	\$ 12,213,878
Investments	-	-	-	-	907,373
Restricted investments	-	-	150,890	-	480,876
Accounts receivable	1,919	2,000	192,062	354	415,607
Due from other governments	105,659	-	31,245	4,867,806	5,772,648
Inventory	-	-	-	-	460,886
Prepaid expenses and other assets	7,010	-	119,350	1,699	603,959
Total current assets	220,673	799,876	3,200,828	5,490,492	20,855,227
<b>Non-current assets</b>					
Fixed assets (net of accumulated depreciation)	476,653	7,505,759	9,990,055	15,967	52,340,207
Deferred Costs	-	-	114,838	-	114,838
Total non-current assets	476,653	7,505,759	10,104,893	15,967	52,455,045
Total Assets	\$ 697,326	8,305,635	13,305,721	5,506,459	\$ 73,310,272
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Accounts payable and accrued liabilities	\$ 15,716	\$ 111,628	\$ 777,071	\$ 46,851	\$ 2,265,597
Deferred revenue	-	534,350	194,805	-	6,971,421
Due to other governments	-	-	58,427	4,904,367	5,208,309
Notes payable	-	-	-	-	49,503
Obligation under capital lease	-	-	72,019	-	72,019
Total current liabilities	15,716	645,978	1,102,322	4,951,218	14,566,849
<b>Non-current liabilities</b>					
Due to other governments	-	-	211,738	-	211,738
Notes payable	-	-	3,560,000	-	3,962,589
Obligation under capital lease	-	-	113,443	-	113,443
Total non-current liabilities	-	-	3,885,181	-	4,287,770
Total Liabilities	15,716	645,978	4,987,503	4,951,218	18,854,619
<b>NET ASSETS</b>					
Investment in fixed assets, net of related debt	476,653	7,505,759	6,244,593	15,967	48,142,653
Restricted (Note 1m)	-	-	-	-	1,848,656
Unrestricted	204,957	153,898	2,073,625	539,274	4,464,344
Total Net Assets	681,610	7,659,657	8,318,218	555,241	54,455,653
Total Liabilities and Net Assets	\$ 697,326	\$ 8,305,635	\$ 13,305,721	\$ 5,506,459	\$ 73,310,272

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COUNTY OF CAMBRIA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN NET ASSETS - GOVERNMENTAL TYPE COMPONENT UNITS  
 FOR THE YEAR ENDED DECEMBER 31, 2009

	Redevelopment Authority	Library Association	Conservation and Recreation Authority	Total
Revenues:				
Intergovernmental revenues	\$ 2,426,182	\$ 1,506,140	\$ 42,693	\$ 3,975,015
County appropriations	-	614,678	105,520	720,198
Charges for services	322,461	56,797	-	379,258
Interest and investment income	-	36,195	649	36,844
Realized gain on investments	-	3,433	-	3,433
Unrealized (loss) on investments	-	68,632	-	68,632
Other	22,699	45,644	176,098	244,441
Total Revenues	2,771,342	2,331,519	324,960	5,427,821
Expenditures:				
Conservation and development	2,770,499	-	283,863	3,054,362
Culture and recreation	-	1,922,694	-	1,922,694
Total Expenditures	2,770,499	1,922,694	283,863	4,977,056
Change in Net Assets	843	408,825	41,097	450,765
Capital Contributions	-	-	-	-
Net Assets - Beginning of Year	41,156	1,908,905	7,618,560	9,568,621
Prior Period Adjustment	-	-	-	-
Net Assets - End of Year	\$ 41,999	\$ 2,317,730	\$ 7,659,657	\$ 10,019,386

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COUNTY OF CAMBRIA  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
 FOR BUSINESS-TYPE ACTIVITY COMPONENT UNITS  
 FOR THE YEAR ENDED DECEMBER 31, 2009

	Planning Commission	Municipal Airport Authority	Transit Authority	Solid Waste Management Authority
Operating Revenues:				
Charges for services	\$ 222,772	\$ 304,222	\$ 950,785	\$ 4,808
Intergovernmental revenues	-	89,085	148,534	77,600
Other	1,606	94,399	363,399	11,575
Total Operating Revenues	224,378	487,706	1,462,718	93,983
Operating Expenses:				
Public works	287,475	691,027	7,558,894	391,877
Human Services	-	-	-	-
Education and general	-	-	-	-
Depreciation	489	1,267,622	1,725,399	63,840
Total Operating Expenses	287,964	1,958,649	9,284,293	455,717
Operating (Loss)	(63,586)	(1,470,943)	(7,821,575)	(361,734)
Non-Operating Revenues/(Expenses):				
Investment income	104	7,217	27,599	585
Gain/(loss) on sale of assets	-	-	(80,018)	-
Federal appropriations	-	-	1,783,240	-
State appropriations	-	-	3,600,383	-
County appropriations	87,750	170,500	684,954	285,000
Other non-operating revenue/(expense)	-	43,932	-	-
Interest expense	-	(30,786)	-	-
Total Non-Operating Revenues/ (Expenses)	87,854	190,863	6,016,158	285,585
Change in Net Assets	24,268	(1,280,080)	(1,805,417)	(76,149)
Capital contributions	-	1,853,645	661,195	-
Net Assets Beginning of Year	34,384	15,528,628	19,819,194	757,759
Prior Period Adjustment	-	45,381	-	-
Net Assets Beginning of Year, as restated	34,384	15,574,009	19,819,194	757,759
Net Assets - End of Year	\$ 58,652	\$ 16,147,574	\$ 18,674,972	\$ 681,610

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COUNTY OF CAMBRIA  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
FOR BUSINESS-TYPE ACTIVITY COMPONENT UNITS  
FOR THE YEAR ENDED DECEMBER 31, 2009

	Community College	Behavioral Health of Cambria County	Total
Operating Revenues:			
Charges for services	\$ 4,425,582	\$ 9,900	\$ 5,918,069
Intergovernmental revenues	4,905,118	28,837,263	34,057,600
Other	137,867	-	608,846
	<u>9,468,567</u>	<u>28,847,163</u>	<u>40,584,515</u>
Total Operating Revenues			
Operating Expenses:			
Public works	-	-	8,929,273
Human Services	-	28,595,763	28,595,763
Education and general	12,784,580	-	12,784,580
Depreciation	753,603	-	3,810,953
	<u>13,538,183</u>	<u>28,595,763</u>	<u>54,120,569</u>
Total Operating Expenses			
Operating (Loss)	<u>(4,069,616)</u>	<u>251,400</u>	<u>(13,536,054)</u>
Non-Operating Revenues/(Expenses):			
Investment income	-	9,473	44,978
Gain/(loss) on sale of assets	-	-	(80,018)
Federal appropriations	-	-	1,783,240
State appropriations	3,593,982	-	7,194,365
County appropriations	1,206,227	-	2,434,431
Other non-operating revenue/(expense)	122,595	-	166,527
Interest expense	(79,595)	-	(110,381)
	<u>4,843,209</u>	<u>9,473</u>	<u>11,433,142</u>
Total Non-Operating Revenues/ (Expenses)			
Change in Net Assets	773,593	260,873	(2,102,912)
Capital contributions	242,093	-	2,756,933
Net Assets Beginning of Year	7,302,532	294,368	43,736,865
Prior Period Adjustment	-	-	45,381
Net Assets Beginning of Year, as restated	<u>7,302,532</u>	<u>294,368</u>	<u>43,782,246</u>
Net Assets - End of Year	<u>\$ 8,318,218</u>	<u>\$ 555,241</u>	<u>\$ 44,436,267</u>

See Independent Auditor's Report