

County of Cambria



Financial Statements
December 31, 2010

COUNTY OF CAMBRIA

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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, 2010. 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 \$(1.45) million, which was a decrease of \$10.0 million from 2009.
- The General Fund unassigned fund balance was \$(1.58) million, a decrease of \$7.89 million from the 2009 unreserved fund balance.
- Government-wide net assets (assets minus liabilities) at the end of the year were \$1.79 million, a decrease of \$8.88 million from 2009.
- The outstanding bonds payable was \$28.58 million, a decrease of \$1.44 million from 2009. The balance of outstanding notes and loans payable was \$10.86 million, a decrease of \$5.47 million from 2009. The outstanding balance of obligations under capital leases was \$21.90 million, a decrease of \$1.38 million from 2009.
- For calendar year 2010, the County's real property tax rate remained at 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 ten component units – Planning Commission, Redevelopment Authority, Library Association, Airport Authority, Transit Authority, Solid Waste Management Authority, Conservation and Recreation Authority, Pennsylvania Highlands Community College, War Memorial Arena Authority, 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 three business-type activities – Laurel Crest Rehabilitation and Special Care Center, Central Park Complex, and Cambria Connected. Laurel Crest, the County operated nursing home, was sold effective January 1, 2010. 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, six 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, the Children and Youth Services Fund, and the Area Agency on Aging 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, 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 three 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 three enterprise funds – Laurel Crest Rehabilitation and Special Care Center, 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, 2010 and 2009.

Cambria County Primary Government Summary of Net Assets December 31, 2010 and 2009							
		Governmental Activities		Business-type Activities		Total	
		2010	2009	2010	2009	2010	2009
Assets:							
	Current Assets	\$23,904,450	\$32,190,193	\$(1,462,370)	\$6,160,605	\$22,442,080	\$38,350,798
	Non-current Assets	<u>56,046,674</u>	<u>57,202,757</u>	<u>8,569,996</u>	<u>24,810,208</u>	<u>64,616,670</u>	<u>82,012,965</u>
	Total Assets	<u>79,951,124</u>	<u>89,392,950</u>	<u>7,107,626</u>	<u>30,970,813</u>	<u>87,058,750</u>	<u>120,363,763</u>
Liabilities:							
	Current Liabilities	24,610,458	26,855,068	800,135	17,550,014	25,410,593	44,405,082
	Non-current Liabilities	<u>52,624,164</u>	<u>44,891,081</u>	<u>7,640,243</u>	<u>20,396,749</u>	<u>60,264,407</u>	<u>65,287,830</u>
	Total Liabilities	<u>77,234,622</u>	<u>71,746,149</u>	<u>8,440,378</u>	<u>37,946,763</u>	<u>85,675,000</u>	<u>109,692,912</u>
Net Assets:							
	Investments in Capital Assets, Net Of related Debt	2,220,400	7,055,955	188,823	4,457,592	2,409,223	11,513,547
	Unrestricted	473,087	10,583,791	(1,521,575)	(11,433,542)	(1,048,488)	(849,751)
	Restricted	<u>23,015</u>	<u>7,055</u>	---	---	<u>23,015</u>	<u>7,055</u>
	Total Net Assets	<u>\$2,716,502</u>	<u>\$17,646,801</u>	<u>\$(1,332,752)</u>	<u>\$(6,975,950)</u>	<u>\$1,383,750</u>	<u>\$10,670,851</u>

Total net assets: Net assets of the County's governmental activities were \$2.72 million, a decrease of \$14.93 million from 2009. Of this amount, \$2.22 million represents investments in capital assets, net of related debt. The unrestricted net asset balance as of the end of the year was \$473,087 million, which represents a decrease of \$10.11 million from 2009. The restricted net asset balance was \$23,015, an increase of \$15,960 from the prior year. The restriction reflects a reserve for the Library Association for \$23,015.

Net assets of the County's business-type activities were \$(1.33) million, an increase of \$5.64 million from 2009. The increase is the result of a \$6.17 million gain from the sale of Laurel Crest and a \$525,010 operating loss for Cambria

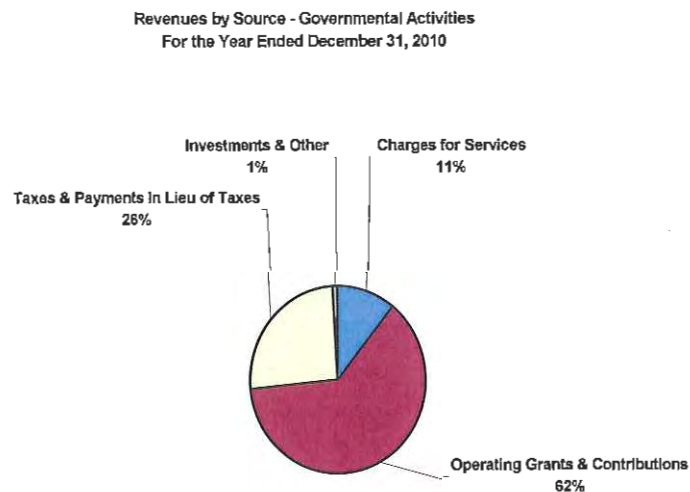
Connected for 2010. Of the total net assets, \$188,823 represents investments in capital assets, net of related debt. The unrestricted net asset balance at year-end was \$(1,332,752), which represents an increase of \$9.91 million from 2009.

Government-wide Statement of Activities

The table below summarizes the changes of net assets for the primary government for the period ended December 31, 2010 and 2009:

Cambria County Primary Government Summary of Changes in Net Assets For the Years Ended December 31, 2010 and 2009						
	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program Revenues:						
Charges for Services	\$13,489,068	\$13,637,311	\$1,001,646	\$23,419,166	\$14,490,714	\$37,056,477
Operating Grants & Contributions	79,408,354	81,163,031	---	---	79,408,354	81,163,031
Capital Grants & Contributions	116,171	317,302	---	---	116,171	317,302
General Revenues:						
Taxes & Payments in Lieu of Taxes	32,760,370	32,424,521	---	---	32,760,370	32,424,521
(Loss)/Gain from Sale of Assets	40,557	(45,600)	---	---	40,557	(45,600)
Unrestricted Investment Earnings	85,292	167,323	235	1,026	85,527	168,349
Other Revenues	251,884	133,445	125,763	91,501	377,647	224,946
Total Revenues	126,151,696	127,797,333	1,127,644	23,511,693	127,279,340	151,309,026
Expenses:						
General Government-Administrative	6,156,260	4,414,594	---	---	6,156,260	4,414,594
General Government-Judicial	10,170,275	6,857,628	---	---	10,170,275	6,857,628
Public Safety	21,808,715	13,486,237	---	---	21,808,715	13,486,237
Public Works	382,221	2,371,516	---	---	382,221	2,371,516
Human Services	66,610,338	78,045,219	---	---	66,610,338	78,045,219
Culture and Recreation	633,913	498,750	---	---	633,913	498,750
Conservation and Development	4,644,918	2,987,502	---	---	4,644,918	2,987,502
Emergency Communications Services	2,769,880	2,550,450	---	---	2,769,880	2,550,450
Employee Benefits	3,098,493	5,336,895	---	---	3,098,493	5,336,895
Debt Service	2,609,779	2,456,744	---	---	2,609,779	2,456,744
Unallocated Depreciation	3,866,131	3,432,518	---	---	3,866,131	3,432,518
Laurel Crest Manor	---	---	---	24,301,601	---	24,301,601
Laurel Crest D.M.E.	---	---	---	8,822	---	8,822
Central Park Complex	---	---	1,092,734	1,095,817	1,092,734	1,095,817
Cambria Connected	---	---	853,420	789,014	853,420	789,014
Total Expenses	122,750,923	122,438,053	1,946,154	26,195,254	124,697,077	148,633,307
Changes in Net Assets Transfers and Capital Contributions						
Capital Contributions	3,400,773	5,359,280	(818,510)	(2,683,561)	2,582,263	2,675,719
Transfers in/(out) Primary Government	(293,500)	(234,467)	293,500	234,467	---	---
Transfers in/(out) Component Units	(3,133,625)	(3,154,629)	---	---	(3,133,625)	(3,154,629)
Gain/(Loss) from Sale of Laurel Crest	(14,903,947)	---	6,168,208	---	(8,735,739)	---
Capital Contributions	---	---	---	---	---	---
Change in Net Assets	(14,930,299)	1,970,184	5,643,198	(2,449,094)	(9,287,101)	(478,910)
Net Assets – Beginning of Year	17,646,801	15,676,617	(6,975,950)	(4,526,856)	10,670,851	11,149,761
Net Assets – End of Year	\$2,716,502	\$17,646,801	\$(1,332,752)	\$(6,975,950)	\$1,383,750	\$10,670,851

Governmental activities revenues: Revenues for Cambria County's governmental activities were \$126.2 million for the year ended December 31, 2010, a decrease of 1.3% from 2009. The following pie chart reflects the sources of those revenues by percent:



The largest source of governmental activities revenue is operating grants and contributions amounting to \$79.4 million or 62.7%. 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 \$57.1 million or 71.9% 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.

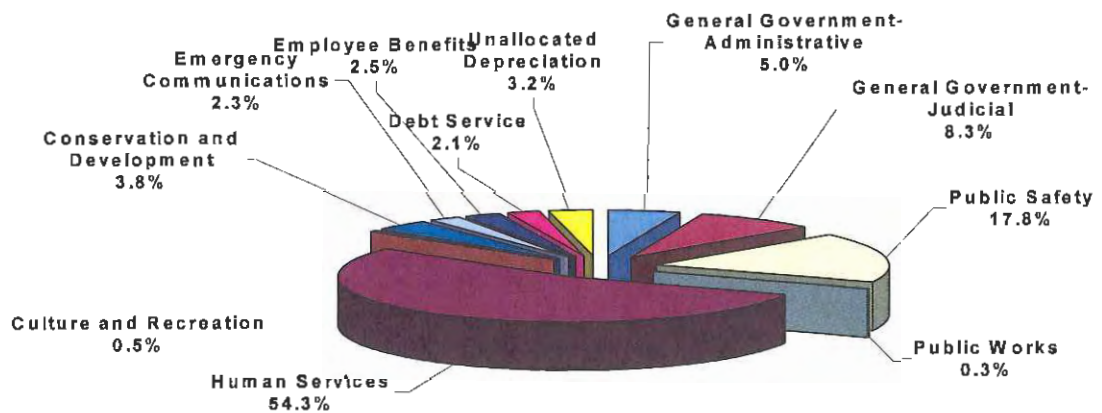
Taxes and payments in lieu of taxes provide the next largest source of governmental activities revenue at \$32.8 million or 25.9%. For 2010, the real estate tax rate remained at 26.9 mills. Of this amount, 20.9 mills was designated for general purposes, 4.0 mills for debt service, 1.0 mill for the Penn Highlands Community College, 0.5 mill for the Cambria County Library System, and 0.5 mill for parks and playgrounds. Real estate taxes generated \$32.2 million in governmental activities revenue in 2010. 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 2010, the hotel tax receipts amounted to \$381,006. Cambria County also receives payments in lieu of taxes from various sources. The County received \$218,608 in payments in lieu of taxes in 2010.

Charges for services amounted to \$13.5 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, gain from the sale of assets, capital grants and contributions, and other revenues amounted to \$920,360 or 0.7% of governmental activities revenue.

Governmental activities expenses: Expenses for Cambria County's governmental activities were \$122.8 million for the year ended December 31, 2010. The chart below reflects the uses of those expenses:

Expenses by Function - Governmental Activities
For the Year Ended December 31, 2010



As indicated by the chart, the County's human services programs comprised the largest portion of governmental activities expenses. They amounted to \$66.6 million or 54.3% for 2010.

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 \$10.2 million or 8.3% in 2010.

Public Safety includes Emergency Management, HMER, SHARP, Prison, Adult Probation, Juvenile Court, and Detention/Shelter. Expenses in 2010 were 17.8% or \$21.8 million.

Employee Benefits were \$3.1 million or 2.5% of governmental activities expenses. This includes retiree hospitalization, workers' compensation, retiree life insurance, employer taxes, and unemployment. Beginning in 2010, most general fund employee benefits are expensed to the departmental budget.

General Government-Administrative expenses reflect costs associated with the administration of Cambria County government. These expenses were \$6.2 million or 5.0%.

Debt Service on the County's General Obligation Bonds, Lease Rental Indebtedness, and Notes was \$2.6 million or 2.1% of governmental activities expenses.

The remaining expenses of \$12.3 million or 10.0% 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, Children and Youth Fund, and Area Agency on Aging 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, 2010, the General Fund reported a fund balance of \$(1.5) million, which was a decrease of \$10.0 million from the prior year's fund balance of \$8.5 million. For 2010, expenditures and other financing uses exceeded revenues and other financing sources by \$10.0 million.

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 2010 was \$1.0 million. The fund balance was relatively unchanged from December 31, 2009.

The Mental Health/Mental Retardation (MH/MR) special revenue fund maintains no fund balance. Revenues in the MH/MR fund decreased to \$11.7 million from \$20.4 million in 2009, a decrease of \$8.7 million or 42.5%.

The Health Choices Fund maintains a zero fund balance. Revenues in the Health Choices Fund increased \$1.6 million or 5.3% from 2009.

The Children and Youth Fund also maintains a zero fund balance. The revenue for the Children and Youth Fund decreased \$193,892 or 2.6% to \$7.3 million in 2010.

The Area Agency on Aging fund was added as a major fund for 2010. It also maintains a zero fund balance. Revenue increased \$150,118 or 2.5% to \$6.1 million in 2010.

Proprietary Funds: Cambria County maintains three proprietary funds. One of the funds relates to the operations of Laurel Crest Rehabilitation and Special Care Center. Laurel Crest was sold to a private operator effective January 1, 2010. The second proprietary fund is the Central Park Complex Fund. Created in 2007, the third 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, 2010, total net assets of the Laurel Crest Manor fund were \$0 effectively closing it as a proprietary fund of the county. 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 19 of the Notes to the Financial Statements

The net assets of the Central Park Complex (CPC) fund were \$0 on December 31, 2010. The net assets reflect that \$135,005 was unrestricted and \$(135,005) was invested in capital assets net of related debt netting to a zero balance in the fund. The county transferred \$151,570 from the CPC fund to the general fund for 2010.

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 \$(1,332,752) on December 31, 2010. This reflects a decrease in net assets of \$525,010 or 65.0% from 2009. The unrestricted net assets was \$(1,656,580) and the investment in capital assets net of related debt was \$323,828.

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 \$49.9 million in 2010 and \$50.5 million in 2009. The final budgeted general fund revenue was \$50.6 million in 2010 and \$52.2 million in 2009. The actual revenue received during 2010 was \$53.1 million. The following are negative variances in final budgeted revenue to actual revenue during 2010: actual charges for services was \$224,955 or 2.5% less than budgeted and actual interest and investment income was \$90,424 or 55.3% less than budgeted. Actual real estate tax revenue exceeded the budgeted amount by \$561,973 or 1.8% and actual intergovernmental revenue exceeded the budgeted amount by \$1,897,947 or 21.1%. Other revenue also had a positive final budget variance of \$335,987 or 52.5%.

The original budgeted general fund expenditure amounts were \$42.3 million in 2010 and \$39.8 million in 2009. The final budgeted general fund expenditure amounts were \$42.7 million in 2010 and \$41.5 million in 2009. The actual expenditures were \$45.5 million for 2010. Positive variances were in culture and recreation for \$196,972 or 25.2%, conservation and development for \$460,301 or 25.9%, public works for \$33, employee benefits for \$3,604,841 or 47.1%, and debt service for \$3,604,841 or 47.1%. Negative variances were in general government – administrative for \$952,928 or 15.6%, general government – judicial for \$1,263,306 or 20.4%, public safety for \$4,425,114 or 34.4%, human services for \$370,827 or 5.9%, and capital projects for \$62,907 or 80.0%. Many of the variances are attributable to applying employee benefit expenditures to the departmental budget beginning in 2010.

The original budgeted operating transfers in were \$2.5 million in 2010 and \$0.9 million in 2009. The final budgeted operating transfers in were \$2.5 million in 2010 and \$0.9 million in 2009. For 2010, the actual operating transfers in were \$0.2 million or 91.3% under budget. The original budgeted operating transfers out were \$10.1 million in 2010 and \$11.6 million in 2009. The final budgeted operating transfers out were \$10.3 million in 2010 and \$11.6 million in 2009. The actual operating transfers out were \$10.5 million or 1.5% over budget in 2010. Loss from sale of Laurel Crest Manor and other financing uses – note payoff were not budgeted in 2010. The actual loss from sale of Laurel Crest Manor was \$2.2 million and other financing uses – note payoff was \$5.0 million for 2010.

Overall, the general fund had an excess of revenues and other financing sources over/(under) expenditures and other financing uses of \$10.0 million for the year ending December 31, 2010.

Capital Assets and Debt Administration

Capital Assets:

The County's investment in capital assets at December 31, 2010, net of accumulated depreciation, amounted to \$64.2 million. This was a decrease of \$17.4 million or 20.3% 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, 2010
Construction-in-progress	\$ 1,491,380	\$ ---	\$ 1,491,380
Land	---	290,116	290,116
Site/land improvements	3,281,198	---	3,281,198
Infrastructure	13,173,722	---	13,173,722
Building and permanent fixtures	49,842,424	6,383,472	56,225,896
Office furniture and equipment	2,707,072	---	2,707,072
General equipment	4,445,956	---	4,445,956
Machinery and equipment	---	5,121,793	5,121,793
Radio equipment	7,817,851	---	7,817,851
Computer hardware and software	6,852,925	---	6,852,925
Vehicles	4,329,798	---	4,329,798
Less accumulated depreciation	(38,176,653)	(3,319,060)	(41,495,713)
Total	\$ 55,765,673	\$ 8,476,321	\$ 64,241,994

Highlights of the changes during 2010 for major capital assets include:

- 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. The upgrade was completed in 2010.
- The County converted its phone system to a Voice over Internet Protocol (VoIP) system utilizing the Cambria Connected network. Capital addition in the amount of \$1.4 million in equipment was added during 2010.
- With the sale of Laurel Crest Rehabilitation and Special Care Center, the building and permanent fixtures were removed from the

capital assets for business – type activities. In addition, certain vehicles and equipment were transferred to capital assets for government activities.

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, 2010, Cambria County had outstanding debt and capital lease obligations of \$61.4 million. During 2010, the County's general obligation bonds, notes and capital leases decreased by \$8.3 million or 11.9%.

Cambria County did not issue new long-term debt during 2010. On January 4, 2010, Cambria County paid off a 2008 variable rate unfunded debt issued in connection with the operation of Laurel Crest. The balance of the General Obligation Note was \$5,016,941.

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 2011 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. On April 4, 2011, Standard & Poor's Ratings Services raised its long-term rating on Cambria County's general obligation debt to 'BBB-'
- As of April 2011, the County's unemployment rate was 8.1%, which was down from 9.4% in April 2010. The Commonwealth's rate was 7.5% and the national rate was 9.0% for April 2011.

- The County's taxable assessed value on real estate increased \$13.6 million or 1.1% from 2010 to 2011.

For fiscal year 2011, the County's real property tax rate increased 2.6 mills to 29.5 mills. The tax rate for general purpose is 23.5 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 2011, the County issued a Tax and Revenue Anticipation Note with First National Bank in the amount of \$10.0 million at 1.87% with a maturity date of December 31, 2011.

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.



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INDEPENDENT AUDITOR'S REPORT

June 29, 2011

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, 2010, 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, Behavioral Health of Cambria County, and Cambria County War Memorial Arena Authority, 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, 2010, 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.

As described in Note 19, the County finalized the sale of Laurel Crest Rehabilitation and Special Care Center with Grane Healthcare effective January 1, 2010.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 29, 2011, 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 65 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, 2010

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS:				
Current Assets:				
Cash and cash equivalents (Note 2)	\$ 5,055,424	\$ 100,384	\$ 5,155,808	\$ 13,647,724
Investments (Note 2)	-	-	-	850,690
Restricted cash (Note 3)	194,256	-	194,256	-
Restricted investments	-	-	-	312,480
Receivables (net of allowance for uncollectibles)				
Accounts	2,338,546	22,540	2,361,086	486,492
Taxes (Note 4)	3,468,708	-	3,468,708	-
Due from other governments (Note 5)	10,922,634	-	10,922,634	6,025,574
Prepaid expenses and other assets	339,588	-	339,588	2,527,764
Internal balances (Note 1k)	1,585,294	(1,585,294)	-	-
Inventory	-	-	-	533,845
Total Current Assets	23,904,450	(1,462,370)	22,442,080	24,384,569
Non-Current Assets:				
Deferred loan costs	281,001	93,675	374,676	97,283
Fixed assets net of accumulated depreciation (Note 6)	55,765,673	8,476,321	64,241,994	52,301,680
Total Non-Current Assets	56,046,674	8,569,996	64,616,670	52,398,963
Total Assets	\$ 79,951,124	\$ 7,107,626	\$ 87,058,750	\$ 76,783,532
LIABILITIES:				
Current Liabilities:				
Accounts payable and accrued liabilities	\$ 11,928,149	\$ 36,877	\$ 11,965,026	\$ 2,369,692
Deferred revenues (Note 1f)	3,524,197	7,736	3,531,933	8,344,957
Due to other governments (Note 5)	3,281,549	-	3,281,549	6,336,007
Custodial payable	559,402	-	559,402	-
Compensated absences (Note 11 and 14)	1,411,417	10,150	1,421,567	-
Notes payable (Note 11)	484,906	-	484,906	60,659
Bonds payable (Note 11)	1,292,304	227,696	1,520,000	-
Obligations under capital leases (Note 12)	1,535,669	249,066	1,784,735	165,693
Accrued interest	587,795	268,610	856,405	-
Other liabilities	5,070	-	5,070	-
Total Current Liabilities	24,610,458	800,135	25,410,593	17,277,008
Non-Current Liabilities:				
Compensated absences (Note 11 and 14)	611,694	4,442	616,136	-
Due to other governments (Note 5)	-	-	-	142,459
Notes payable (Note 11)	10,379,293	-	10,379,293	3,504,316
Bonds payable (Note 11)	23,010,324	4,054,676	27,065,000	-
Estimated workers' compensation claim (Note 9 and 11)	2,057,708	-	2,057,708	-
OPEB obligation (Note 8 and 11)	29,162	-	29,162	-
Obligations under capital leases (Note 12)	16,535,983	3,581,125	20,117,108	214,553
Total Non-Current Liabilities	52,624,164	7,640,243	60,264,407	3,861,328
Total Liabilities	77,234,622	8,440,378	85,675,000	21,138,336
NET ASSETS:				
Investments in capital assets, net of related debt	2,220,400	188,823	2,409,223	48,356,459
Unrestricted	473,087	(1,521,575)	(1,048,488)	5,909,304
Restricted - (Note 1m)	23,015	-	23,015	1,379,433
Total Net Assets	2,716,502	(1,332,752)	1,383,750	55,645,196
Total Liabilities and Net Assets	\$ 79,951,124	\$ 7,107,626	\$ 87,058,750	\$ 76,783,532

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, 2010

Functions/Programs	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contribution	Capital Grants and Contributions	Primary Government	
				Governmental Activities	Business-type Activities	Total
Primary Government:						
Governmental Activities:						
General government - administrative	\$ 6,156,260	\$ 1,254,388	\$ -	\$ -	\$ -	\$ (4,901,872)
General government - judicial	10,170,275	3,448,380	3,272,383	-	-	(3,449,512)
Public safety	21,808,715	4,670,149	6,013,698	-	-	(11,124,868)
Public works	382,221	-	1,808,895	-	-	1,426,674
Human services	66,610,338	2,841,924	62,887,864	-	-	(880,550)
Culture and recreation	633,913	43,855	-	-	-	(590,058)
Conservation and development	4,644,918	393,629	3,623,023	-	-	(628,266)
Emergency communication services	2,769,880	836,743	1,802,491	116,171	-	(14,475)
Employee benefits	3,098,493	-	-	-	-	(3,098,493)
Debt service	2,609,779	-	-	-	-	(2,609,779)
Unallocated depreciation and amortization	3,866,131	-	-	-	-	(3,866,131)
Total Governmental Activities	122,750,923	13,489,068	79,408,354	116,171	-	(29,737,330)
Business-type Activities:						
Laurel Crest Manor	-	-	-	-	-	-
Central Park Complex	1,092,734	799,225	-	-	-	(293,509)
Cambria Connect	853,420	202,421	-	-	-	(650,999)
Total Business-type Activities	1,946,154	1,001,646	-	-	(944,508)	(944,508)
Total Primary Government	\$ 124,697,077	\$ 14,490,714	\$ 79,408,354	\$ 116,171	\$ (944,508)	\$ (30,681,838)

General Revenues:

Taxes:

Property Taxes, Levied for General Purposes	\$ 25,528,898	\$ -	\$ 25,528,898
Property Taxes, Levied for Debt Retirement	4,854,473	-	4,854,473
Property Taxes, Levied for Community College	1,169,370	-	1,169,370
Property Taxes, Levied for County Library	608,015	-	608,015
Payments in Lieu of Taxes	218,608	-	218,608
County Hotel Lodging Taxes	381,006	-	381,006
Gain from Sale of Assets	40,557	-	40,557
Gain/(loss) from sale of Laurel Crest Manor (Note 19)	(14,903,947)	6,168,208	(8,735,739)
Transfers in/(out) primary government	(293,500)	293,500	-
Transfers in/(out) component units	(3,133,625)	-	(3,133,625)
Unrestricted Investment Earnings	85,292	235	85,527
Other Revenues	251,884	125,763	377,647
Total General Revenues and Transfers	14,807,031	6,587,706	21,394,737
Change in Net Assets Before Capital Contributions	(14,930,299)	5,643,198	(9,287,101)
Capital Contributions	-	-	-
Total Change in Net Assets	(14,930,299)	5,643,198	(9,287,101)
Net Assets - Beginning of Year	17,646,801	(6,975,950)	10,670,851
Net Assets - End of Year	\$ 2,716,502	\$ (1,332,752)	\$ 1,383,750

COUNTY OF CAMBRIA
 GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2010

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Assets
Expenses	Charges for Services	Operating Grants and Contribution	Capital Grants and Contributions	Component Units	
Component Units:					
Governmental Activities:					
Redevelopment Authority	\$ 3,492,460	\$ 223,977	\$ 4,050,974	\$ -	\$ 782,491
Conservation and Recreation Authority	240,624	-	10,440	-	(230,184)
Library Association	1,690,461	55,470	909,786	-	(725,205)
Total Component Unit Governmental Activities	5,423,545	279,447	4,971,200	-	(172,898)
Business-type Activities:					
Planning Commission	307,021	259,245	-	-	(47,776)
Municipal Airport Authority	1,807,489	326,526	18,523	-	(1,462,440)
Transit Authority	9,485,359	911,108	5,879,370	-	(2,694,881)
Solid Waste Management Authority	501,146	6,164	71,367	-	(423,615)
Community College	15,733,141	5,464,641	9,941,566	-	(326,934)
Behavioral Health of Cambria County	31,680,804	10,050	31,866,296	-	195,542
War Memorial Arena Authority	108,888	-	-	-	(108,888)
Total Component Unit Business-type Activities	59,623,848	6,977,734	47,777,122	-	(4,868,992)
Total Component Units	\$ 65,047,393	\$ 7,257,181	\$ 52,748,322	\$ -	\$ (5,041,890)
General Revenues:					
(Loss) from Sale of Assets					\$ (36,858)
Unrestricted Investment Earnings					74,011
Other Revenues					951,549
Transfers from Primary Government					3,133,625
Total General Revenues and Transfers					4,122,327
Change in Net Assets					(919,563)
Gain on Extinguishment of Debt					14,303
Capital Contributions					1,756,534
Net Assets - Beginning of Year					54,849,596
Prior Period Adjustment					(55,674)
Net Assets - Beginning of Year, as restated					54,793,922
Net Assets - End of Year					\$ 55,645,196

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, 2010

	Major Funds						Other Nonmajor Governmental Funds	Totals
	General	Capital Projects	MH/MR	Health Choices Fund	Children and Youth Fund	Area Agency on Aging Fund		
ASSETS:								
Cash and cash equivalents	\$ 2,178,913	\$ 8,790	\$ 51,922	\$ 14	\$ -	\$ 915,839	\$ 1,899,947	\$ 5,055,425
Restricted cash	194,256	-	-	-	-	-	-	194,256
Receivables (net of allowance for uncollectibles)								
Accounts	1,433,566	-	549,959	-	-	44,100	310,921	2,338,546
Taxes	3,468,708	-	-	-	-	-	-	3,468,708
Due from other governments	103,074	-	1,285,769	5,362,205	2,706,997	217,309	1,225,679	10,901,033
Prepaid expenses and other assets	324,402	-	-	-	15,186	-	-	339,588
Due from other funds (Note 1k)	6,608,706	999,940	371,876	-	-	1,164,136	2,965,947	12,110,605
Total Assets	\$ 14,311,625	\$ 1,008,730	\$ 2,259,526	\$ 5,362,219	2,722,183	2,341,384	\$ 6,402,494	\$ 34,408,161
LIABILITIES:								
Accounts payable and accrued liabilities	\$ 3,421,708	\$ -	\$ 1,135,144	\$ 5,362,219	\$ 641,611	\$ 506,032	\$ 861,435	\$ 11,928,149
Deferred revenues	2,728,178	-	1,124,382	-	394,608	1,835,352	169,855	6,252,375
Payable from restricted assets	559,402	-	-	-	-	-	-	559,402
Other liabilities	5,070	-	-	-	-	-	-	5,070
Due to other governments	3,249,702	-	-	-	31,847	-	-	3,281,549
Due to other funds (Note 1k)	5,799,968	-	-	-	1,654,117	-	3,049,625	10,503,710
Total Liabilities	15,764,028	-	2,259,526	5,362,219	2,722,183	2,341,384	4,080,915	32,530,255
FUND BALANCES								
Unassigned fund balance/(deficit)	(1,584,499)	-	-	-	-	-	(1,358,494)	(2,942,993)
Assigned fund balance	-	1,008,730	-	-	-	-	3,680,073	4,688,803
Committed fund balance	109,081	-	-	-	-	-	-	109,081
Restricted for:								
Library (Note 1)	23,015	-	-	-	-	-	-	23,015
Total Fund Balance	(1,452,403)	1,008,730	-	-	-	-	2,321,579	1,877,906
Total Liabilities and Fund Balance	\$ 14,311,625	\$ 1,008,730	\$ 2,259,526	\$ 5,362,219	\$ 2,722,183	\$ 2,341,384	\$ 6,402,494	34,408,161

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

(57,655,254)

The difference in net assets between full accrual accounting and modified accrual accounting due to differing revenue recognition criteria between the two methods

2,728,177

Capital assets in governmental activities are not financial resources and, therefore, are not reported in the funds

55,765,673

Net assets of governmental activities

\$ 2,716,502

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, 2010

	Major Funds						Other Nonmajor Governmental Funds	Totals
	General	Capital Projects	MH/MR	Health Choices Fund	Children and Youth Fund	Area Agency on Aging Fund		
Revenues								
Real estate taxes	\$ 32,372,911	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,372,911
Charges for services	8,735,357	-	2,260,878	-	91,564	489,482	1,842,830	13,420,111
Interest and investment income	73,076	22	3,398	140	-	1,712	6,944	85,292
Intergovernmental revenues	10,894,573	-	9,411,176	32,104,015	7,203,174	5,560,300	11,930,855	77,104,093
Other income	975,615	-	55,109	-	150	30,308	2,249,174	3,310,356
Total Revenues	53,051,532	22	11,730,561	32,104,155	7,294,888	6,081,802	16,029,803	126,292,763
Expenditures								
General government - administrative	7,046,659	-	-	-	-	-	131,020	7,177,679
General government - judicial	7,470,155	-	-	-	-	-	3,104,095	10,574,250
Public safety	17,308,333	-	-	-	-	-	4,500,298	21,808,631
Public works	911,254	-	-	-	-	-	1,455,289	2,366,543
Human services	6,678,743	-	12,105,561	32,104,155	8,202,817	6,081,802	3,083,300	68,256,378
Culture and recreation	585,000	-	-	-	-	-	551,454	1,136,454
Conservation and development	1,315,466	-	-	-	-	-	3,546,198	4,861,664
Employee benefits	4,054,924	-	-	-	-	-	-	4,054,924
Emergency communication services	-	-	-	-	-	-	2,895,207	2,895,207
Debt service	141,891	-	-	-	-	-	5,542,748	5,684,639
Capital projects	-	270,000	-	-	-	-	-	270,000
Total Expenditures	45,512,425	270,000	12,105,561	32,104,155	8,202,817	6,081,802	24,809,609	129,086,369
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	7,539,107	(269,978)	(375,000)	-	(907,929)	-	(8,779,806)	(2,793,606)
Other Financing Sources/(Uses)								
Proceeds from Capital Lease	-	270,000	-	-	-	-	-	270,000
Loss from Sale of Laurel Crest Manor (Note 19)	(2,232,174)	-	-	-	-	-	-	(2,232,174)
Other financing uses - note payoff	(5,016,857)	-	-	-	-	-	-	(5,016,857)
Operating transfers in	215,613	-	375,000	-	907,929	-	9,268,643	10,767,185
Operating transfers (out)	(10,503,035)	-	-	-	-	-	(557,650)	(11,060,685)
Total Other Financing Sources/(Uses)	(17,536,453)	270,000	375,000	-	907,929	-	8,710,993	(7,272,531)
(Deficiency)/Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(9,997,346)	22	-	-	-	-	(68,813)	(10,066,137)
Fund Balance/(Deficit) - Beginning of Year	8,544,943	1,008,708	-	-	-	-	2,390,392	11,944,043
Fund Balance/(Deficit) - End of Year	\$ (1,452,403)	\$ 1,008,730	\$ -	\$ -	\$ -	\$ -	\$ 2,321,579	\$ 1,877,906

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

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, 2010

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

Net change in fund balance - total governmental funds (page 7)	\$ (10,066,137)
The 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	(644,933)
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	(3,509,478)
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	(9,787)
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.	609,862
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	6,453
The net effect of various transactions involving capital assets, (i.e. purchases, disposals, etc.) is to increase net assets	<u>(1,316,279)</u>
Change in net assets of governmental activities (page 4)	<u>\$ (14,930,299)</u>

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

COUNTY OF CAMBRIA
 PROPRIETARY FUNDS
 STATEMENT OF NET ASSETS
 DECEMBER 31, 2010

	Business-type Activities - Enterprise Funds			
	Laurel Crest Manor Fund	Central Park Complex	Cambria Connected	Total
ASSETS				
Current Assets				
Cash and cash equivalents	\$ -	\$ 1,353	\$ 99,031	\$ 100,384
Accounts receivable	-	11,306	11,234	22,540
Due from other funds	-	159,236	1,613,732	1,772,968
Total Current Assets	-	171,895	1,723,997	1,895,892
Non-current Assets				
Deferred loan costs	-	56,531	37,144	93,675
Fixed assets (net of accumulated depreciation and amortization)	-	4,174,065	4,302,256	8,476,321
Total Assets	<u>\$ -</u>	<u>\$ 4,402,491</u>	<u>\$ 6,063,397</u>	<u>\$ 10,465,888</u>
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accounts payable and accrued liabilities	\$ -	\$ 22,298	\$ 14,579	\$ 36,877
Accrued interest	-	83,229	185,381	268,610
Deferred revenue	-	-	7,736	7,736
Compensated absences	-	10,150	-	10,150
Bonds payable	-	227,696	-	227,696
Obligation under capital lease	-	-	249,066	249,066
Due to other funds	-	-	3,358,262	3,358,262
Total Current Liabilities	-	343,373	3,815,024	4,158,397
Non-current Liabilities				
Compensated absences	-	4,442	-	4,442
Obligation under capital lease	-	-	3,581,125	3,581,125
Bonds payable	-	4,054,676	-	4,054,676
Total Liabilities	-	4,402,491	7,396,149	11,798,640
Net Assets				
Investment in capital assets net of related debt	-	(135,005)	323,828	188,823
Unrestricted	-	135,005	(1,656,580)	(1,521,575)
Total Net Assets	-	-	(1,332,752)	(1,332,752)
Total Liabilities and Net Assets	<u>\$ -</u>	<u>\$ 4,402,491</u>	<u>\$ 6,063,397</u>	<u>\$ 10,465,888</u>

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, 2010

	Business-type Activities - Enterprise Funds			
	Laurel Crest Manor Fund	Central Park Complex	Cambria Connected	Total
Operating Revenues:				
Charges for service	\$ -	\$ -	\$ 202,421	\$ 202,421
Rental income	-	799,225	-	799,225
Total Operating Revenues	<u>-</u>	<u>799,225</u>	<u>202,421</u>	<u>1,001,646</u>
Operating Expenses:				
Depreciation and amortization	-	224,287	330,393	554,680
Maintenance and operating	-	639,089	353,558	992,647
Total Operating Expenses	<u>-</u>	<u>863,376</u>	<u>683,951</u>	<u>1,547,327</u>
Operating Income/(Loss)	-	(64,151)	(481,530)	(545,681)
Non-Operating Revenues/(Expenses):				
Investment income	-	9	226	235
Other income	-	-	125,763	125,763
Gain from sale	6,168,208	-	-	6,168,208
Interest expense	-	(229,358)	(169,469)	(398,827)
Total Non-Operating Revenues/(Expenses)	<u>6,168,208</u>	<u>(229,349)</u>	<u>(43,480)</u>	<u>5,895,379</u>
Income/(Loss) Before Transfers	6,168,208	(293,500)	(525,010)	5,349,698
Other Financing Sources/(Uses):				
Operating transfers in	-	445,070	-	445,070
Operating transfers (out)	-	(151,570)	-	(151,570)
Total Other Financing Sources/(Uses)	<u>-</u>	<u>293,500</u>	<u>-</u>	<u>293,500</u>
Change in Net Assets	6,168,208	-	(525,010)	5,643,198
Net assets - Beginning of Year	<u>(6,168,208)</u>	<u>-</u>	<u>(807,742)</u>	<u>(6,975,950)</u>
Net Assets - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$(1,332,752)</u>	<u>\$ (1,332,752)</u>

See Independent Auditor's Report and
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COUNTY OF CAMBRIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Business-type Activities - Enterprise Funds			
	Laurel Crest Manor Fund	Central Park Complex	Cambria Connected	Total
Cash Flows From Operating Activities				
Cash received from patients	\$ 2,194,727	\$ -	\$ -	\$ 2,194,727
Cash received from customers	-	798,761	203,093	1,001,854
Cash payments to employees for services	(1,047,109)	(175,598)	-	(1,222,707)
Cash payments to suppliers for goods and services	(998,340)	(462,754)	(347,526)	(1,808,620)
Cash payments for other operating expenses	-	-	-	-
Net Cash (Used For)/Provided By Operating Activities	<u>149,278</u>	<u>160,409</u>	<u>(144,433)</u>	<u>165,254</u>
Cash Flows From Non-Capital Financing Activities				
Transfers in from other funds	-	445,070	-	445,070
Transfers out to other funds	-	(151,570)	-	(151,570)
Net Cash (Used For)/Provided By Non-Capital Financing Activities	<u>-</u>	<u>293,500</u>	<u>-</u>	<u>293,500</u>
Cash Flows From Capital and Related Financing Activities				
Purchase of property and equipment	-	(6,500)	(114,894)	(121,394)
Payment on debt (net)	-	(215,712)	(238,560)	(454,272)
Interest paid	-	(233,805)	(181,016)	(414,821)
Net book value of disposed assets	15,627,545	-	-	15,627,545
Assumption of long-term liabilities by general fund	(12,671,779)	-	-	(12,671,779)
Net (decrease)/increase in interfund payables	(9,273,352)	(3,192)	457,751	(8,818,793)
Net Cash Provided By/(Used For) Capital and Related Financing Activities	<u>(6,317,586)</u>	<u>(459,209)</u>	<u>(76,719)</u>	<u>(6,853,514)</u>
Cash Flows From Investing Activities				
Interest on cash equivalents	-	9	226	235
Gain from sale of assets	6,168,208	-	-	6,168,208
Net Cash Provided By Investing Activities	<u>6,168,208</u>	<u>9</u>	<u>226</u>	<u>6,168,443</u>
Net (Decrease)/Increase in Cash and Cash Equivalents	(100)	(5,291)	(220,926)	(226,317)
Cash and Cash Equivalents Beginning of Year	<u>100</u>	<u>6,644</u>	<u>319,957</u>	<u>326,701</u>
Cash and Cash Equivalents at End of Year	<u>\$ -</u>	<u>\$ 1,353</u>	<u>\$ 99,031</u>	<u>\$ 100,384</u>

See Independent Auditor's Report and
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COUNTY OF CAMBRIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Laurel Crest Manor Fund	Central Park Complex	Cambria Connected	Total
Reconciliation of Operating Income to Net Cash Provided By Operating Activities:				
Operating Income/(Loss)	\$ -	\$ (64,151)	\$ (481,530)	\$ (545,681)
Adjustments to reconcile operating income to net cash provided by/(used in) operating activities:				
Depreciation and amortization	-	224,287	330,393	554,680
Changes in assets and liabilities:				
Decrease/(Increase) in accounts receivable	2,194,727	(464)	672	2,194,935
Decrease in prepaid expense	-	5,279	-	5,279
(Decrease) in accounts payable and accrued liabilities	(2,045,449)	(4,585)	6,032	(2,044,002)
Increase in accrued vacation	-	43	-	43
Total Adjustments	<u>149,278</u>	<u>224,560</u>	<u>337,097</u>	<u>710,935</u>
Net Cash (Used For)/Provided By Operating Activities	<u>\$ 149,278</u>	<u>\$ 160,409</u>	<u>\$ (144,433)</u>	<u>\$ 165,254</u>

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

COUNTY OF CAMBRIA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2010

	Non-AFDC IRS Fund	Prison Resident Fund	Prison Canteen Fund	Recorder of Deeds
<u>ASSETS</u>				
Assets				
Cash and cash equivalents	\$ 11,305	\$ 68,440	\$ 26,946	\$ 261,394
Investments	-	-	16,637	-
Restricted assets:				
Cash	-	-	-	75,185
Investments	-	-	-	-
Accounts receivable	-	-	794	180
Total Assets	<u>\$ 11,305</u>	<u>\$ 68,440</u>	<u>\$ 44,377</u>	<u>\$ 336,759</u>
<u>LIABILITIES AND NET ASSETS</u>				
Liabilities				
Due to other governments	\$ -	\$ 5,562	\$ -	\$ 323,553
Other liabilities	11,305	62,878	-	13,206
Due to other funds	-	-	-	-
Total Liabilities	<u>11,305</u>	<u>68,440</u>	<u>-</u>	<u>336,759</u>
Net Assets				
Held in trust for the prison canteen (Note 1m)	-	-	44,377	-
Held in trust for workers' compensation (Note 1m)	-	-	-	-
Held in trust for pension benefits (Note 1m)	-	-	-	-
Total Net Assets	<u>-</u>	<u>-</u>	<u>44,377</u>	<u>-</u>
Total Liabilities and Net Assets	<u>\$ 11,305</u>	<u>\$ 68,440</u>	<u>\$ 44,377</u>	<u>\$ 336,759</u>

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

COUNTY OF CAMBRIA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2010

	<u>Registrar of Wills</u>	<u>Sheriff's Office</u>	<u>Office of the Prothonotary</u>
<u>ASSETS</u>			
Assets			
Cash and cash equivalents	\$ 69,180	\$ 258,594	\$ 267,179
Investments	-	-	
Restricted assets:			
Cash	-	-	-
Investments	-	-	-
Accounts receivable	-	-	-
Total Assets	<u>\$ 69,180</u>	<u>\$ 258,594</u>	<u>\$ 267,179</u>
<u>LIABILITIES AND NET ASSETS</u>			
Liabilities			
Due to other governments	\$ 35,956	\$ 50,808	\$ 27,444
Other liabilities	33,224	207,786	239,735
Due to other funds	-	-	-
Total Liabilities	<u>69,180</u>	<u>258,594</u>	<u>267,179</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>\$ 69,180</u>	<u>\$ 258,594</u>	<u>\$ 267,179</u>

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

COUNTY OF CAMBRIA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2010

	<u>Clerk of Courts</u>	<u>Domestic Relations Support</u>	<u>Intermediate Punishment Unit</u>
<u>ASSETS</u>			
Assets			
Cash and cash equivalents	\$ 827,671	\$ 87,819	\$ 100,320
Investments	-	-	-
Restricted assets:			
Cash	-	-	-
Investments	-	-	-
Accounts receivable	-	-	-
Total Assets	<u>\$ 827,671</u>	<u>\$ 87,819</u>	<u>\$ 100,320</u>
<u>LIABILITIES AND NET ASSETS</u>			
Liabilities			
Due to other governments	\$ 512,795	\$ -	\$ -
Other liabilities	314,876	87,819	100,320
Due to other funds	-	-	-
Total Liabilities	<u>827,671</u>	<u>87,819</u>	<u>100,320</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>\$ 827,671</u>	<u>\$ 87,819</u>	<u>\$ 100,320</u>

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

COUNTY OF CAMBRIA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2010

	Workers' Compensation Trust Fund	Retirement Trust Fund	Total
<u>ASSETS</u>			
Assets			
Cash and cash equivalents	\$ -	\$ -	\$ 1,978,848
Investments	-	155,970,489	155,987,126
Restricted assets:			
Cash	-	3,915,488	3,990,673
Investments	1,998,355	-	1,998,355
Accounts receivable	20,834	389,752	411,560
Total Assets	\$ 2,019,189	\$ 160,275,729	\$ 164,366,562
<u>LIABILITIES AND NET ASSETS</u>			
Liabilities			
Due to other governments	\$ -	\$ -	\$ 956,118
Other liabilities	1,892	103,914	1,176,955
Due to other funds	-	21,601	21,601
Total Liabilities	1,892	125,515	2,154,674
Net Assets			
Held in trust for the prison canteen (Note 1m)	-	-	44,377
Held in trust for workers' compensation (Note 1m)	2,017,297	-	2,017,297
Held in trust for pension benefits (Note 1m)	-	160,150,214	160,150,214
Total Net Assets	2,017,297	160,150,214	162,211,888
Total Liabilities and Net Assets	\$ 2,019,189	\$ 160,275,729	\$ 164,366,562

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

COUNTY OF CAMBRIA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
WORKERS' COMPENSATION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

Revenues	
Interest income	\$ 77,802
Net appreciation in fair value of investments	<u>45,149</u>
Total Revenues	<u>122,951</u>
Expenses	
Operating expenses	<u>7,519</u>
Total Expenses	<u>7,519</u>
Other Financing Sources/(Uses)	
Operating transfers in	<u>-</u>
Total Sources/(Uses)	<u>-</u>
Excess/(Deficiency) of Revenues Over Other Financing Sources/(Uses)	115,432
Net Assets Held in Trust for Specific Purposes - Beginning of Year	<u>1,901,865</u>
Net Assets Held in Trust for Specific Purposes - End of Year	<u><u>\$ 2,017,297</u></u>

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

COUNTY OF CAMBRIA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
RETIREMENT TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

<u>Additions</u>	
Contributions:	
Employer	\$ 2,265,930
Employee	<u>2,523,952</u>
Total Contributions	<u>4,789,882</u>
Investment Income:	
Interest	1,420,590
Dividends	2,036,290
Net appreciation in fair value of investments	<u>14,451,132</u>
	17,908,012
Less: Investment expense	<u>457,347</u>
Net investment income	<u>17,450,665</u>
Total Additions	<u>22,240,547</u>
<u>Deductions</u>	
Benefits	10,942,119
Administrative expenses	<u>67,869</u>
Total Deductions	<u>11,009,988</u>
Increase in Net Assets	11,230,559
Net Assets Held in Trust for Employee Pension Benefits:	
Beginning of Year	<u>148,919,655</u>
End of Year	<u><u>\$ 160,150,214</u></u>

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

COUNTY OF CAMBRIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

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, 2010.

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, 2010.

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, 2010.

Cambria County War Memorial Arena Authority

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 War Memorial Arena Authority is June 30, 2010.

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, 2010.

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

Cambria County War Memorial Arena Authority
326 Napoleon Street
Johnstown, PA 15901

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

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.

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).

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.

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, 2010 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, 2010 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.

Cambria County War Memorial Arena Authority

The Cambria County War Memorial Arena Authority's financial statements are presented on the full accrual basis in accordance with Generally Accepted Accounting Principles (GAAP). The Authority applies all Governmental Accounting Standards Board (GASB) pronouncements. The financial statements include the implementation of GASB No. 34. All activities of the Authority 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, 2010, but were levied to finance 2010 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, 2010 were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
<u>Governmental Fund Types</u>		
General Fund	\$ <u>6,608,706</u>	\$ <u>5,799,968</u>
Special Revenue Funds		
Domestic Relations	---	502,795
Juvenile Probation	---	453,866
Jail/Detention	42,119	---
Detention/Shelter	---	30,945
Farmland Preservation	---	---
911 Emergency Communications	65,475	---
County Records Improvement	16,147	---
Area Agency on Aging	1,164,136	---
Register of Wills Automation	---	500
Foster Grandparents	13,280	---
Prothonotary Automation	---	315
Substance Abuse	537,611	---
Children and Youth	---	1,654,117
Drug and Alcohol	260,739	---
Human Services	80,537	---
Mental Health/Mental Retardation	371,876	---
HMERA	358	---
Parks and Playgrounds	---	565,812
DUI	<u>1,246,978</u>	<u>---</u>
Total Special Revenue Funds	<u>3,799,256</u>	<u>3,208,350</u>
Debt Service Fund	<u>702,703</u>	<u>1,495,392</u>
Capital Projects Fund	<u>999,940</u>	<u>---</u>
Total Governmental Fund Types	<u>12,110,605</u>	<u>10,503,710</u>
<u>Proprietary Fund Types</u>		
Central Park Complex	159,236	---
Cambria Connect	<u>1,613,732</u>	<u>3,358,262</u>
Total Proprietary Fund Types	<u>1,772,968</u>	<u>3,358,262</u>
<u>Fiduciary Fund Types</u>		
Retirement Trust Fund	<u>---</u>	<u>21,601</u>
Total Fiduciary Fund Types	<u>---</u>	<u>21,601</u>
Total Interfunds	<u>\$ 13,883,573</u>	<u>\$ 13,883,573</u>

I. **Fund Balance**

On January 1, 2010, the County early implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This statement required the governmental funds' fund balances to be reclassified into the following five new categories.

Nonspendable fund balance – fund balance permanently restricted and unavailable for current operations

Restricted fund balance – fund balance temporarily restricted for specified purposes stipulated by constitution, external resource providers, or through enabling legislation

Committed fund balance – fund balance temporarily restricted for specified purposes established by a formal action by the Board of Commissioners. Formal action by the Board of Commissioners is also necessary to modify or rescind a fund balance commitment.

Assigned fund balance – fund balance intended for a specific purpose that does not meet the criteria to be classified as restricted or committed. The Board of Commissioners has authorized the Chief Clerk and the County Controller as the officials authorized to assign fund balance to a specific purpose.

Unassigned fund balance – fund balance available for operations without any restriction

The Board of Commissioners will spend the most restricted dollars before less restricted in the order as defined above.

The County of Cambria reports the following as restricted and committed fund balance:

General Fund

Restricted for Library \$ 23,015

These funds represent restrictions of real estate tax revenues to be used to fund the Cambria Library Association.

Committed for Cambria County War
Memorial Arena Authority \$ 109,081

This represents committed funds for future operating or capital needs of the Cambria County War Memorial Arena Authority.

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, 2010:

Primary Government

Restricted for Library	\$ <u>23,015</u>
Total Restricted Net Assets	\$ <u>23,015</u>

Fiduciary Funds

Retirement Trust Fund	\$ <u>160,150,214</u>
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This represents funds restricted for retirement fund use for the future payment of members' benefits.

Workers' Compensation Trust	\$ <u>2,017,297</u>
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This represents funds restricted to fund workers' compensation claims.

Prison Canteen/Resident	\$ <u>44,377</u>
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This represents funds restricted for the welfare of prison inmates.

Component Units

Cambria Library Association	\$ <u>312,480</u>
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This restriction has been established to segregate donor restricted funds or restrictions otherwise not available for general operation purposes.

Transit Authority

\$ 1,066,953

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

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, 2010 totaled \$23,897. Of this balance \$4,711 was for the Central Park Complex Fund and \$19,186 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 <u>December 31, 2010</u>
Current Assets	\$ 395,974
Total Assets	16,489,887
Current Liabilities	993,580
Total Liabilities	10,665,767
Net Assets	5,824,120
Operating Revenues	1,359,259
Operating Expenses	(1,253,526)
Non-Operating Revenues	50,255
Non-Operating Expenses	(381,598)
Capital Contribution	562,716
Change in Net Assets	337,106

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 affect 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 P.A.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, 2010, 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, 2010 are classified in the accompanying financial statements as follows:

Statements of net assets:	
Cash and investments	\$ 5,155,808
Restricted cash and investments	194,256
Fiduciary funds:	
Cash and investments	157,965,974
Restricted cash and investments	<u>5,989,028</u>
Total Cash and Investments	<u>\$169,305,066</u>

Cash and investments as of December 31, 2010 consist of the following:

Cash on hand	\$ 31,560
Deposits with financial institutions	11,288,025
Investments	<u>157,985,481</u>
Total Cash and Investments	<u>\$169,305,066</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:

<u>Type</u>	<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>\$ 2,626,190</u>	<u>\$ 9,885,225</u>	<u>\$ 8,474,425</u>	<u>\$ 19,289,064</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:

<u>Type</u>	<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>BAA</u>
Government:				
Treasury	\$ 8,430,933	\$ -	\$ -	\$ -
Agency	18,010,343	558,916	-	-
Corporate:				
Industrial	528,122	2,278,941	3,035,958	600,136
Utility	-	-	784,232	260,128
Finance	2,113,601	287,238	1,634,296	-
Transportation	-	542,131	940,846	-
Mortgage:				
FNMA	<u>257,916</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 29,340,915</u>	<u>\$ 3,667,226</u>	<u>\$ 6,395,332</u>	<u>\$ 860,264</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, 2010, 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	\$ 25,497,883
Corporate Obligations	14,326,741
Domestic Equity	72,694,139
Municipal Obligations	---
Mortgage Backed	269,083
International Equity	43,572,000
Temporary Investment - Cash	<u>3,334,672</u>
	<u>\$ 159,694,518</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 \$43,572,000 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>269,083</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>
Governmental Activities:			
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	\$ <u>194,256</u>	\$ ---	\$ <u>194,256</u>
Total Governmental Activities	\$ <u>194,256</u>	\$ ---	\$ <u>194,256</u>

Fiduciary Funds:

Trust Funds:

Amount established to provide for Pension contribution and offset by a reserve for balance for pension benefits.	\$ 3,915,488	\$ ---	\$ 3,915,488
Amount established to provide source of funds for the realty transfer tax collected on behalf of the Commonwealth.	75,185	---	75,185
Amount established to provide source of funds for workers' compensation claims and offset by a reserve in fund balance for workers' compensation.	---	<u>1,998,355</u>	<u>1,998,355</u>
Total Fiduciary Funds	<u>\$ 3,990,673</u>	<u>\$ 1,998,355</u>	<u>\$ 5,989,028</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 2010 was 26.9 mills, of which 4.0 mills were designated for debt service, 1.0 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 20.90 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 \$3,468,708 as stated on the Governmental Funds Balance Sheet, are actual legal claims of lien properties. The County has deferred \$2,728,178 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 2010 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>\$4,911,652</u>	<u>(\$1,442,944)</u>	<u>\$ 3,468,708</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, 2010. 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, 2010.

NOTE 6 - FIXED ASSETS

Capital asset activity for the year ended December 31, 2010 was as follows:

Government activities:	<u>Balance 12/31/09</u>	<u>Additions</u>	<u>Disposal</u>	<u>Balance 12/31/10</u>
Capital assets not being depreciated:				
Construction-in-progress	<u>\$ 2,954,125</u>	<u>\$ 1,573,921</u>	<u>(\$ 3,036,666)</u>	<u>\$ 1,491,380</u>
Total capital assets not being depreciated	<u>2,954,125</u>	<u>1,573,921</u>	<u>(3,036,666)</u>	<u>1,491,380</u>
Other capital assets:				
Site improvements	3,251,454	29,744	---	3,281,198
Infrastructure	13,164,464	9,258	---	13,173,722
Building and permanent fixtures	49,831,124	18,225	(6,925)	49,842,424

Office furniture and equipment	1,312,985	1,422,528	(28,441)	2,707,072
General equipment	2,177,951	2,300,498	(32,493)	4,445,956
Radio equipment	7,686,311	131,540	---	7,817,851
Computer hardware and software	6,882,126	91,521	(120,722)	6,852,925
Vehicles	<u>4,209,157</u>	<u>242,573</u>	<u>(121,932)</u>	<u>4,329,798</u>
Total capital assets, at cost	<u>88,515,572</u>	<u>4,245,887</u>	<u>(310,513)</u>	<u>92,450,946</u>
Less accumulated depreciation for:				
Site improvements	(1,093,947)	(91,168)	---	(1,185,115)
Infrastructure	(3,659,714)	(264,144)	---	(3,923,858)
Building and permanent fixtures	(17,475,714)	(1,237,184)	3,634	(18,709,264)
Office furniture and equipment	(1,034,136)	(194,173)	28,441	(1,199,868)
General equipment	(1,441,135)	(362,083)	32,493	(1,770,725)
Radio equipment	(2,608,600)	(388,449)	---	(2,997,049)
Computer hardware and software	(5,120,247)	(979,639)	117,662	(5,982,224)
Vehicles	<u>(1,954,253)</u>	<u>(560,177)</u>	<u>105,880</u>	<u>(2,408,550)</u>
Total accumulated Depreciation	<u>(34,387,746)</u>	<u>(4,077,017)</u>	<u>288,110</u>	<u>(38,176,653)</u>
Governmental activities capital assets, net	<u>\$ 57,081,951</u>	<u>\$ 1,742,791</u>	<u>(\$ 3,059,069)</u>	<u>\$ 55,765,673</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 383,046	\$ ---	\$ (92,930)	\$ 290,116
Construction-in-progress	<u>347,765</u>	<u>193,362</u>	<u>(541,127)</u>	<u>---</u>
Total capital assets not being depreciated	<u>730,811</u>	<u>193,362</u>	<u>(634,057)</u>	<u>290,116</u>
Other Capital assets:				
Land improvements	747,870	---	(747,870)	---
Buildings and permanent fixtures	38,361,879	---	(31,978,407)	6,383,472

Machinery & equipment	<u>9,963,972</u>	<u>469,158</u>	<u>(5,311,337)</u>	<u>5,121,793</u>
Total capital assets at cost	<u>49,073,721</u>	<u>469,158</u>	<u>(38,037,614)</u>	<u>11,505,265</u>
Less accumulated depreciation for:				
Land improvements	(521,867)	---	521,867	---
Buildings and permanent fixtures	(19,903,541)	(545,488)	17,143,718	(3,305,311)
Machinery & equipment	(4,849,635)	(1,529)	<u>4,837,415</u>	(13,749)
Total accumulated depreciation	<u>(25,275,043)</u>	<u>(547,017)</u>	<u>22,503,000</u>	<u>(3,319,060)</u>
Business-type activities capital assets, net	<u>\$24,529,489</u>	<u>\$ 115,503</u>	<u>(\$16,168,671)</u>	<u>\$ 8,476,321</u>

COMPONENT UNITS:

Summaries of the component units' fixed assets as of December 31, 2010 follow:

	<u>Balance 12/31/09</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance 12/31/10</u>
Planning Commission:				
Equipment	\$ 26,363	\$ 1,124	\$ ---	\$ 27,487
Equipment under capital lease	---	---	---	---
Less: Accumulated depreciation	(25,584)	(584)	---	(26,168)
Total capital assets, net	<u>\$ 779</u>	<u>\$ 540</u>	<u>\$ ---</u>	<u>\$ 1,319</u>
Redevelopment Authority:				
Construction in progress	\$ ---	\$ 843,895	\$ ---	\$ 843,895
Furniture & equipment	<u>20,986</u>	<u>196</u>	<u>(808)</u>	<u>20,374</u>
Total capital assets at cost	<u>20,986</u>	<u>844,091</u>	<u>(808)</u>	<u>864,269</u>
Less: Accumulated depreciation	(18,273)	(986)	808	(18,451)
Total capital assets, net	<u>\$ 2,713</u>	<u>\$ 843,105</u>	<u>\$ ---</u>	<u>\$ 845,818</u>
Library Association:				
Books & audio visual	\$ 1,484,461	\$ 106,431	(\$ 41,730)	\$ 1,549,162
Improvements	191,380	1,060	(3,282)	189,158
Furniture & equipment	100,361	6,980	---	107,341
Software	121,752	---	---	121,752
Computer equipment	313,791	7,914	(27,734)	293,971

Automobiles	<u>28,021</u>	<u>---</u>	<u>---</u>	<u>28,021</u>
Total capital assets at cost	<u>2,239,766</u>	<u>122,385</u>	<u>(72,746)</u>	<u>2,289,405</u>
Less: Accumulated depreciation	<u>(1,494,614)</u>	<u>(118,432)</u>	<u>72,746</u>	<u>(1,540,300)</u>
Total capital assets, net	<u>\$ 745,152</u>	<u>(\$ 3,953)</u>	<u>---</u>	<u>\$ 749,105</u>
Municipal Airport Authority:				
Land	\$ 1,891,109	\$ 18,689	\$ ---	\$ 1,909,798
Construction-in-progress	2,447,042	313,213	(1,459,687)	1,300,568
Improvements	35,870,460	1,440,998	---	37,311,458
Building & improvements	4,236,280	---	---	4,236,280
Vehicles & equipment	<u>2,181,003</u>	<u>2,999</u>	<u>(6,750)</u>	<u>2,177,252</u>
Total capital assets at cost	<u>46,625,894</u>	<u>1,775,899</u>	<u>(1,466,437)</u>	<u>46,935,356</u>
Less: Accumulated depreciation	<u>(29,736,063)</u>	<u>(1,224,221)</u>	<u>5,456</u>	<u>(30,954,828)</u>
Total capital assets, net	<u>\$ 16,889,831</u>	<u>\$ 551,678</u>	<u>(\$ 1,460,981)</u>	<u>\$ 15,980,528</u>
Transit Authority:				
Land – Inclined Plane	\$ 666,712	\$ ---	\$ ---	\$ 666,712
Construction in Progress	42,083	11,855	(13,239)	40,699
Land Improvements	24,340	---	---	24,340
Buildings & Improvements	19,200,761	343,743	(185,132)	19,359,372
Vehicles, equipment and other	<u>14,827,537</u>	<u>1,524,188</u>	<u>(784,699)</u>	<u>15,567,026</u>
Total capital assets at cost	<u>34,761,433</u>	<u>1,879,786</u>	<u>(983,070)</u>	<u>35,658,149</u>
Less: Accumulated depreciation	<u>(18,103,809)</u>	<u>(1,810,791)</u>	<u>931,121</u>	<u>(18,983,479)</u>
Total capital assets, net	<u>\$ 16,657,624</u>	<u>\$ 68,995</u>	<u>(\$ 51,949)</u>	<u>\$ 16,674,670</u>
Solid Waste Management Authority:				
Furniture & fixtures	\$ 19,098	\$ ---	\$ ---	\$ 19,098
Equipment	927,122	---	---	927,122
Improvements	<u>9,611</u>	<u>---</u>	<u>---</u>	<u>9,611</u>
Total capital assets at cost	<u>955,831</u>	<u>---</u>	<u>---</u>	<u>955,831</u>
Less: Accumulated depreciation	<u>(479,178)</u>	<u>(62,948)</u>	<u>---</u>	<u>(542,126)</u>
Total capital assets, net	<u>\$ 476,653</u>	<u>(\$ 62,948)</u>	<u>\$ ---</u>	<u>\$ 413,705</u>

Conservation & Recreation Authority:

Land	\$ 6,492,302	\$ ---	\$ ---	\$ 6,492,302
Building	1,034,796	---	---	1,034,796
Equipment	<u>87,332</u>	<u>29,414</u>	<u>(7,960)</u>	<u>108,786</u>
Total capital assets at cost	<u>7,614,430</u>	<u>29,414</u>	<u>(7,960)</u>	<u>7,635,884</u>
Less: Accumulated depreciation	<u>(108,671)</u>	<u>(41,275)</u>	<u>7,960</u>	<u>(141,986)</u>
Total capital assets, net	<u>\$ 7,505,759</u>	<u>(\$ 11,861)</u>	<u>\$ ---</u>	<u>\$ 7,493,898</u>

Pennsylvania Highlands Community College:

Equipment	\$ 2,891,922	\$ 569,890	(\$ 278,010)	\$ 3,183,802
Construction-In-Progress	552,460	---	(462,189)	90,271
Leasehold improvements	8,808,431	92,745	---	8,901,176
Computer software	<u>636,314</u>	<u>203,058</u>	<u>---</u>	<u>839,372</u>
Total capital assets at cost	<u>12,889,127</u>	<u>865,693</u>	<u>(740,199)</u>	<u>13,014,621</u>
Less: Accumulated depreciation	<u>(2,899,072)</u>	<u>(769,692)</u>	<u>278,010</u>	<u>(3,390,754)</u>
Total capital assets, net	<u>\$ 9,990,055</u>	<u>\$ 96,001</u>	<u>(\$ 462,189)</u>	<u>\$ 9,623,867</u>

War Memorial Arena Authority:

Equipment	\$ 470,998	\$ 3,508	\$ ---	\$ 474,506
Leasehold improvements	<u>472,301</u>	<u>(979)</u>	<u>---</u>	<u>471,322</u>
Total capital assets at cost	<u>943,299</u>	<u>2,529</u>	<u>---</u>	<u>945,828</u>
Less: Accumulated depreciation	<u>(400,292)</u>	<u>(54,831)</u>	<u>---</u>	<u>(455,123)</u>
Total capital assets, net	<u>\$ 543,007</u>	<u>(\$ 52,302)</u>	<u>---</u>	<u>\$ 490,705</u>

Behavioral Health of Cambria County:

Equipment	\$ 20,588	\$ 7,095	(\$ 9,907)	\$ 17,776
Vehicles	<u>21,418</u>	<u>17,538</u>	<u>(21,418)</u>	<u>17,538</u>
Total capital assets at cost	<u>42,006</u>	<u>24,633</u>	<u>(31,325)</u>	<u>35,314</u>
Less: Accumulated depreciation	<u>(26,039)</u>	<u>(12,076)</u>	<u>30,866</u>	<u>(7,249)</u>
Total capital assets, net	<u>\$ 15,967</u>	<u>\$ 12,557</u>	<u>(\$ 459)</u>	<u>\$ 28,065</u>

Total Component Unit Capital Assets at December 31, 2010**\$ 52,301,680**

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, 2010, the date of the latest actuarial valuation:

Retirees and Beneficiaries Receiving Benefits	867
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	240
Active Plan Members	<u>784</u>
	<u>1,891</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 2010, was determined as part of the December 31, 2010 actuarial valuation. The County's annual required contribution and net pension obligation to the Cambria County Employee's Retirement System were \$2,265,930 for 2010. 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, 2008	\$ 257,140	100%	\$ ---
December 31, 2009	\$1,696,673	100%	\$ ---
December 31, 2010	\$2,267,852	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	\$ 2,390,001
Interest on Net OPEB Obligation	47,927
Adjustment to Annual Required Contribution	<u>(48,500)</u>
Annual OPEB Cost (Expense)	2,389,428
Contributions Made or Accrued (Decrease) in Net Obligation	<u>(2,999,290)</u> (609,862)
Net OPEB Obligation 1/1/10	<u>639,024</u>
Net OPEB Obligation 12/31/10	<u>\$ 29,162</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 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>
12/31/10	\$2,389,428	125.5%	\$ 29,162
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, 2010, the most recent actuarial date, the plan was 0% funded. The actuarial accrued liability for benefits was \$26,874,293 and the actuarial value of assets was \$0 resulting in an unfunded actuarial accrued liability (UAAL) of \$26,874,293. 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, 2010 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, 2010 was 27 years.

NOTE 9 - RISK MANAGEMENT

The County is exposed to risk of loss related to self-insurance activities for workers' compensation. The Government-Wide Statement of Net Assets accounts 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 reserves are recorded in the Government-Wide Statement of Net Assets.

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.

The accrued workers' compensation self-insurance liability at December 31, 2010 is \$2,057,708, which is included as a long-term obligation on the government-wide statement of net assets.

The following summary provides aggregate information on workers' compensation self-insurance liabilities; incurred claims and payments during the years ended December 31, 2010 and 2009:

<u>Year</u>	<u>January 1, Liability</u>	<u>Net Incurred/(Settled) Claims</u>	<u>Payments</u>	<u>December 31, Liability</u>
2010	\$ <u>2,404,280</u>	\$ <u>(113,411)</u>	\$ <u>233,161</u>	\$ <u>2,057,708</u>
2009	\$ <u>2,572,846</u>	\$ <u>302,652</u>	\$ <u>471,218</u>	\$ <u>2,404,280</u>

NOTE 10 - CAPITAL CONTRIBUTIONS

Component Units

Summaries of the component units' capital contributions as of December 31, 2010 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 studios 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 \$251,110 at December 31, 2010.

Transit Authority

Capital grant contributions from federal and state governments amounted to \$1,487,134 for the Transit Authority at December 31, 2010.

Community College

Capital grant contributions from federal and state governments amounted to \$18,290 for the College at December 31, 2010. 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, 2010, was as follows:

	<u>Balance 12/31/09</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/10</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Bonds and Notes Payable:					
1998 General Obligation Bonds	\$25,526,916	\$ ---	\$(1,224,288)	\$24,302,628	\$1,292,304
2006 General Obligation Notes	4,287,626	---	(267,987)	4,019,639	279,436
2006 Tax Exempt Bank Loan	7,039,778	---	(195,218)	6,844,560	205,470
2008 General Obligation Notes	5,006,910	---	(5,006,910)	---	---
Other Liabilities:					
Accrued Vacation	1,744,515	---	(333,098)	1,411,417	1,411,417
Accrued Sick Pay	637,071	---	(25,377)	611,694	---
OPEB Obligation	639,024	---	(609,862)	29,162	---
Estimated Workers' Compensation Liability	<u>1,054,300</u>	<u>1,003,408</u>	<u>---</u>	<u>2,057,708</u>	<u>---</u>
Governmental Activities Long-term Liabilities	<u>\$45,936,139</u>	<u>\$ 1,003,408</u>	<u>\$(7,662,740)</u>	<u>\$39,276,807</u>	<u>\$3,188,627</u>

	<u>Balance 12/31/09</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/10</u>	<u>Amounts Due Within One Year</u>
Business-type Activities:					
Bonds and Notes Payable:					
1998 General Obligation Bonds	\$ 4,498,084	\$ ---	\$ (215,712)	\$4,282,372	\$227,696
Other Liabilities:					
Accrued Vacation Pay	10,165	---	(15)	10,150	10,150
Accrued Sick Pay	4,384	58	---	4,442	---
Estimated Workers' Compensation Liability	<u>1,349,977</u>	<u>---</u>	<u>(1,349,977)</u>	<u>---</u>	<u>---</u>
Business-type Activities Long-term Liabilities	<u>\$ 5,862,610</u>	<u>\$ 58</u>	<u>\$(1,565,704)</u>	<u>\$4,296,964</u>	<u>\$ 237,846</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 \$28,585,000 at December 31, 2010 (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, 2010 amounted to \$4,019,639 (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 \$6,844,560 (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. 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.

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>
1998 General Obligation Bonds			
<u>Years Ending December 31:</u>			
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	1,880,000	1,118,325	2,998,325
2016-2020	11,020,000	3,988,175	15,008,175
2021-2023	<u>9,080,000</u>	<u>948,500</u>	<u>10,028,500</u>
	<u>\$ 28,585,000</u>	<u>\$ 11,460,825</u>	<u>\$ 40,045,825</u>
To be Retired by:			
Business-Type Activities	\$ 4,282,372	\$ 1,716,832	\$ 5,999,204
Governmental Activities	<u>24,302,628</u>	<u>9,743,993</u>	<u>34,046,621</u>
	<u>\$ 28,585,000</u>	<u>\$ 11,460,825</u>	<u>\$ 40,045,825</u>

	<u>Principal Requirements</u>	<u>Interest Requirements</u>	<u>Total Debt Service Requirements</u>
2006 General Obligation Notes			
<u>Years Ending December 31:</u>			
2011	\$ 279,437	\$ 197,510	\$ 476,947
2012	296,395	183,327	479,722
2013	307,808	168,364	476,172
2014	328,918	152,710	481,628
2015	344,357	136,071	480,428
2016-2020	1,991,645	401,395	2,393,040
2021	<u>471,079</u>	<u>17,681</u>	<u>488,760</u>
	<u>\$ 4,019,639</u>	<u>\$ 1,257,058</u>	<u>\$ 5,276,697</u>
To be Retired by:			
Business-Type Activities	\$ ---	\$ ---	\$ ---
Governmental Activities	<u>4,019,639</u>	<u>1,257,058</u>	<u>5,276,697</u>
	<u>\$ 4,019,639</u>	<u>\$ 1,257,058</u>	<u>\$ 5,276,697</u>

	<u>Principal Requirements</u>	<u>Interest Requirements</u>	<u>Total Debt Service Requirements</u>
2006 Tax Exempt Bank Loans			
<u>Years Ending December 31:</u>			
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	250,346	294,544	544,890
2016-2020	1,455,164	1,269,285	2,724,449
2021-2025	1,862,733	861,716	2,724,449
2026-2030	<u>2,389,891</u>	<u>334,558</u>	<u>2,724,449</u>
	<u>\$ 6,844,560</u>	<u>\$ 4,053,237</u>	<u>\$ 10,897,797</u>
To be Retired by:			
Business-Type Activities	\$ ---	\$ ---	\$ ---
Governmental Activities	<u>6,844,560</u>	<u>4,053,237</u>	<u>10,897,797</u>
	<u>\$ 6,844,560</u>	<u>\$ 4,053,237</u>	<u>\$ 10,897,797</u>

NOTE 12 - CAPITAL LEASES

	<u>Balance 12/31/09</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/10</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Capital Leases:					
Series 2006A and 2006B Lease Revenue Notes	\$ ---	\$ 9,952,755	\$ (335,275)	\$ 9,617,480	\$ 352,050
2007 Cambria County General Financing Authority	4,972,919	---	(291,574)	4,681,345	304,414
2004 CLT Efficient Tech Group	---	817,842	(174,932)	642,910	182,938

2005 Equipment Lease	162,316	195,086	(57,122)	300,280	59,955
2008 Equipment Lease	140,692	422,046	(18,376)	544,362	21,780
2009 Equipment Lease	37,817	113,448	(21,802)	129,463	22,925
2009 Prison Security Upgrades	1,750,000	270,000	(195,343)	1,824,657	260,452
2009 VoIP Lease	<u>643,820</u>	<u>---</u>	<u>(312,665)</u>	<u>331,155</u>	<u>331,155</u>
Governmental Activities Capital Leases	<u>\$7,707,564</u>	<u>\$11,771,177</u>	<u>\$(1,407,089)</u>	<u>\$18,071,652</u>	<u>\$1,535,669</u>
	<u>Balance</u> <u>12/31/09</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/10</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Business-type Activities: Capital Leases:					
Series 2006A and 2006B Lease Revenue Notes	\$ 9,952,755	\$ ---	\$ (9,952,755)	\$ ---	\$ ---
2007 Cambria County General Financing Authority	4,068,751	---	(238,560)	3,830,191	249,066
2004 CLT Efficient Tech Group	817,842	---	(817,842)	---	---
2005 Equipment Lease	195,086	---	(195,086)	---	---
2008 Equipment Lease	422,046	---	(422,046)	---	---
2009 Equipment Lease	<u>113,448</u>	<u>---</u>	<u>(113,448)</u>	<u>---</u>	<u>---</u>
Business-type Activities Capital Leases	<u>\$ 15,569,928</u>	<u>\$ ---</u>	<u>\$(11,739,737)</u>	<u>\$3,830,191</u>	<u>\$ 249,066</u>

Description of Leases

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. As a result of the sale of Laurel Crest Rehabilitation and Special Care Center, the debt became a general obligation of the County.

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 commencing 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.

Former Laurel Crest Rehabilitation and Special Care Center 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.

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.

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.

As a result of the sale of Laurel Crest Rehabilitation and Special Care Center, the obligations previously reported within the Laurel Crest Manor fund became general obligations of the County and will be paid back through the debt service fund.

Other County Leases

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 is \$2,020,000. The term of the lease is for 7 years with an effective interest rate of 4.33%.

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%.

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

2011	\$ 1,784,735
2012	1,524,282
2013	1,596,158
2014	1,530,913
2015	1,500,646
Thereafter	<u>13,965,109</u>
	<u>\$ 21,901,843</u>

To be Retired by:	
Business Type Activities	3,830,191
Government Type Activities	<u>18,071,652</u>
	<u>\$ 21,901,843</u>

NOTE 13 - COMMITMENTS AND CONTINGENCIES

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, 2010, was \$193,661.

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, 2010 was \$3,115,000.

NOTE 14 - COMPENSATED ABSENCES

County policy applicable to vacation, sick pay, and paid time off for employees is as follows:

Vacation Pay

Time accrues for all union employees at various rates based on length of service. Employees are encouraged to utilize earned vacation time by December 31, of each period. If the employee would leave employment, they are paid for any unused or accrued days.

PTO (Paid-Time-Off)

Starting in 2010, all management, middle management, and non-union employees began earning PTO days instead of vacation, sick, personal or floating holidays. PTO time is earned at various rates based on length of service. The appropriate amount of PTO time is credited to the employee's account on January 1st of each year. Employees are encouraged to utilize their time as needed however they are permitted to rollover up to ten (10) unused PTO days per year on December 31. These ten unused days accumulate in a PTO rollover bank up to a maximum of 50 days. If the employee would leave employment, they are paid for any unused PTO days at 50% of their value.

Sick Pay

County union employees may accumulate their unused sick days up to a maximum of 150 days to be taken in any given year. In 2010, for any employees who started receiving PTO time in lieu of sick time, their old unused sick leave was placed into a "sick grandfathered" bank and no additional days accrue. This old sick time can only be used for approved sick leaves that meet specific guidelines. Upon retirement only, employees are reimbursed for a portion of their accrued or vested 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, 2010, the following funds' expenditures exceeded budget by the following amounts:

<u>Fund</u>	<u>Amount</u>
Detention/Shelter	\$ 67,628
Farmland Preservation	33,532
Hotel Tax	58,199
Foster Grandparents	42,941
Capital Projects/Major Improvements	3,000
Health Choices	8,504,155
Drug and Alcohol	246,185
Debt Service	2,541,948
Capital Projects	3,000
General	2,812,935

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, 2010.

<u>Fund</u>	<u>Amount</u>
General Fund	\$1,452,403
Cambria Connected	1,332,752
Debt Service Fund	1,291,385
Parks and Playground Fund	565,812

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>106,875</u>
Cambria Library Association	\$ <u>585,000</u>
Cambria County Municipal Airport Authority	\$ <u>156,750</u>
Cambria County Transit Authority	\$ <u>533,000</u>
Cambria County Solid Waste Management Authority	\$ <u>250,000</u>
Cambria County Conservation and Recreation Authority	\$ <u>110,000</u>
Pennsylvania Highlands Community College	\$ <u>1,205,000</u>
Cambria County War Memorial Authority	\$ <u>187,000</u>

County Appropriations to Related Organizations:

Cambria County Child Development Corp.	\$ <u>5,082,243</u>
Cambria County Industrial Development Authority	\$ <u>75,000</u>
Upper Yoder Township Authority	\$ <u>828,706</u>
Cambria Somerset Authority	\$ <u>140,000</u>
Cambria County General Financing Authority	\$ <u>906,732</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 - SALE OF 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 closed out the Laurel Crest Manor Fund in 2010. After collection of current assets and payment of current liabilities, the remaining long-term liabilities became general obligations of the County. In addition, the County is 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. \$3,236,972 of that balance remains to be paid at December 31, 2010. The net loss from the transaction in the Government-Wide Financial Statements is 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 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 is significant, the sale of Laurel Crest relieves the County of Cambria from the on-going funding of deficits within Laurel Crest Manor.

NOTE 20 - SUBSEQUENT EVENTS

Tax Increase

For fiscal year 2011, the County's real property tax rate increased 2.6 mills to 29.5 mills.

Tax Anticipation Note

In January 2011, the County issued a tax and revenue anticipation note of \$10,000,000 with an interest rate of 1.87%. The due date of the note is December 31, 2011.

Health Insurance Claim

Beginning in 2011, the County established a self-insurance plan to provide health benefits to employees.

1998 Bond Refinancing

In June of 2011, the County retired the 1998 General Obligation Bonds by issuing General Obligation Notes through a consortium of local financial institutions. The interest rate on the General Obligation Notes is fixed for a period of five (5) years at 4.1%. After the initial five (5) year period, the interest rate will be reset to the tax free equivalent of the sum of the Federal Home Loan Bank of Pittsburgh Five Year Rate plus two and eighty five hundredths percent (2.85%) fixed for five (5) years; thereafter the interest rate will be reset to the tax free equivalent of the sum of the Federal Home Loan Bank of Pittsburgh Five Year Rate plus two and eighty five hundredths percent (2.85%) for the remaining term. Under no circumstances will the interest rate be less than three percent (3.00%), tax free, or more than seven percent (7.00%), tax free, per annum.

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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
Revenues				
Real estate taxes	\$ 31,810,938	\$ 31,810,938	\$ 32,372,911	\$ 561,973
Charges for services	8,935,370	8,960,312	8,735,357	(224,955)
Interest and investment income	163,500	163,500	73,076	(90,424)
Intergovernmental revenues	8,535,705	8,996,626	10,894,573	1,897,947
Other	436,288	639,628	975,615	335,987
Total Revenues	<u>49,881,801</u>	<u>50,571,004</u>	<u>53,051,532</u>	<u>2,480,528</u>
Expenditures				
General government - Administrative	6,400,532	6,093,731	7,046,659	(952,928)
General government - Judicial	6,114,100	6,206,849	7,470,155	(1,263,306)
Public safety	12,990,174	12,883,219	17,308,333	(4,425,114)
Public works	881,887	911,287	911,254	33
Human services	6,301,416	6,307,916	6,678,743	(370,827)
Culture and recreation	773,711	781,972	585,000	196,972
Conservation and development	1,127,802	1,775,767	1,315,466	460,301
Employee benefits	7,609,765	7,659,765	4,054,924	3,604,841
Debt service	78,800	78,984	141,891	(62,907)
Capital Projects	-	-	-	-
Total Expenditures	<u>42,278,187</u>	<u>42,699,490</u>	<u>45,512,425</u>	<u>(2,812,935)</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>7,603,614</u>	<u>7,871,514</u>	<u>7,539,107</u>	<u>(332,407)</u>
Other Financing Sources/(Uses)				
Loss from sale of Laurel Crest Manor	-	-	(2,232,174)	(2,232,174)
Other financing uses - note payoff	-	-	(5,016,857)	(5,016,857)
Operating transfers in	2,473,200	2,473,200	215,613	(2,257,587)
Operating transfers (out)	<u>(10,076,814)</u>	<u>(10,344,714)</u>	<u>(10,503,035)</u>	<u>(158,321)</u>
Total Other Financing Sources/(Uses)	<u>(7,603,614)</u>	<u>(7,871,514)</u>	<u>(17,536,453)</u>	<u>(9,664,939)</u>
Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	<u>-</u>	<u>-</u>	<u>(9,997,346)</u>	<u>(9,997,346)</u>
Fund Balance/(Deficit) - Beginning of Year	<u>-</u>	<u>-</u>	<u>8,544,943</u>	<u>8,544,943</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,452,403)</u>	<u>\$ (1,452,403)</u>

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COUNTY OF CAMBRIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Interest and investment income	1,000	1,000	22	(978)
Other income	-	-	-	-
Total Revenues	1,000	1,000	22	(978)
Expenditures				
General government - administrative	-	-	-	-
Capital Projects	267,000	267,000	270,000	(3,000)
Total Expenditures	267,000	267,000	270,000	(3,000)
(Deficiency)/Excess of Revenue Over/(Under) Expenditures	(266,000)	(266,000)	(269,978)	(3,978)
Other Financing Sources/(Uses)				
Proceeds from Note	-	-	270,000	270,000
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Total Other Financing Sources/ (Uses)	-	-	270,000	270,000
Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(266,000)	(266,000)	22	266,022
Fund Balance/(Deficit) - Beginning of Year	-	-	1,008,708	1,008,708
Fund Balance - End of Year	\$ (266,000)	\$ (266,000)	\$ 1,008,730	\$ 1,274,730

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COUNTY OF CAMBRIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - MH/MR FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 9,697,828	\$ 9,697,828	\$ 9,411,176	\$ (286,652)
Charges for services	2,370,000	2,370,000	2,260,878	(109,122)
Interest and investment income	40,000	40,000	3,398	(36,602)
Other income	50,000	50,000	55,109	5,109
Total Revenues	<u>12,157,828</u>	<u>12,157,828</u>	<u>11,730,561</u>	<u>(427,267)</u>
Expenditures				
Human services	12,757,828	12,757,828	12,105,561	652,267
Total Expenditures	<u>12,757,828</u>	<u>12,757,828</u>	<u>12,105,561</u>	<u>652,267</u>
(Deficiency)/Excess of Revenue Over/(Under)				
Expenditures	(600,000)	(600,000)	(375,000)	225,000
Other Financing Sources/(Uses)				
Operating transfers in	600,000	600,000	375,000	(225,000)
Operating transfers (out)	-	-	-	-
Total Other Financing Sources/ (Uses)	<u>600,000</u>	<u>600,000</u>	<u>375,000</u>	<u>(225,000)</u>
Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance/(Deficit) - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental revenues	23,600,000	23,600,000	\$ 32,104,015	\$ 8,504,015
Charges for services	-	-	-	-
Interest and investment income	-	-	140	140
Other income	-	-	-	-
Total Revenues	<u>23,600,000</u>	<u>23,600,000</u>	<u>32,104,155</u>	<u>8,504,155</u>
Expenditures				
Human Services	<u>23,600,000</u>	<u>23,600,000</u>	<u>32,104,155</u>	<u>(8,504,155)</u>
Total Expenditures	<u>23,600,000</u>	<u>23,600,000</u>	<u>32,104,155</u>	<u>(8,504,155)</u>
(Deficiency)/Excess of Revenue Over/(Under)				
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources/(Uses)				
Operating transfers in	-	-	-	-
Operating transfers (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources/ (Uses)	<u>-</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>-</u>	<u>-</u>
Fund Balance/(Deficit) - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 9,924,818	\$ 9,924,818	\$ 7,203,174	\$ (2,721,644)
Charges for services	172,621	172,621	91,564	(81,057)
Interest and investment income	800	800	-	(800)
Other income	-	-	150	150
Total Revenues	10,098,239	10,098,239	7,294,888	(2,803,351)
Expenditures				
Human services	11,644,687	11,644,687	8,202,817	3,441,870
Total Expenditures	11,644,687	11,644,687	8,202,817	3,441,870
(Deficiency)/Excess of Revenue Over/(Under) Expenditures	(1,546,448)	(1,546,448)	(907,929)	638,519
Other Financing Sources/(Uses)				
Operating transfers in	1,546,448	1,546,448	907,929	(638,519)
Operating transfers (out)	-	-	-	-
Total Other Financing Sources/ (Uses)	1,546,448	1,546,448	907,929	(638,519)
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 - AREA AGENCY ON AGING FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 5,670,700	\$ 5,855,700	\$ 5,560,300	\$ (295,400)
Charges for services	504,600	504,600	489,482	(15,118)
Interest and investment income	10,000	10,000	1,712	(8,288)
Other income	18,500	18,500	30,308	11,808
Total Revenues	<u>6,203,800</u>	<u>6,388,800</u>	<u>6,081,802</u>	<u>(306,998)</u>
Expenditures				
Human services	<u>6,203,800</u>	<u>6,388,800</u>	<u>6,081,802</u>	<u>306,998</u>
Total Expenditures	<u>6,203,800</u>	<u>6,388,800</u>	<u>6,081,802</u>	<u>306,998</u>
(Deficiency)/Excess of Revenue Over/(Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources/(Uses)				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Total Other Financing Sources/ (Uses)	<u>-</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>-</u>	<u>-</u>
Fund Balance/(Deficit) - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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SUPPLEMENTARY
INFORMATION

COUNTY OF CAMBRIA
 EMPLOYEE RETIREMENT PLAN -
 SUPPLEMENTARY INFORMATION
 ANALYSIS OF FUNDING
 FOR THE YEAR ENDED DECEMBER 31, 2010

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, 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%
December 31, 2010	\$ 2,265,930	100%

Funded Status and Funding Progress

As of December 31, 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 84 percent funded. The Entry Age actuarial accrued liability for benefits was \$190.1 million, and the actuarial value of assets was \$160.3 million, resulting in an unfunded Entry Age actuarial accrued liability (UAAL) of \$29.8 million. The covered payroll (annual payroll of active employees covered by the Plan) was \$30.7 million and the ratio of the UAAL to the covered payroll was 97 percent.

**COUNTY OF CAMBRIA
NONMAJOR FUNDS**

The following are the County's nonmajor funds, for the year ending December 31, 2010:

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.

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).

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-site, 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, 2010

	<u>Debt Service Fund</u>	<u>Hotel Tax Fund</u>	<u>Redevelopment Authority</u>	<u>Liquid Fuels Tax Fund</u>
<u>ASSETS</u>				
Assets				
Cash and cash equivalents	\$ 7	\$ 12,088	\$ -	\$ 856,646
Accounts receivable	-	48,917	-	-
Due from other governments	-	-	-	-
Due from other funds	702,703	-	-	-
	<u>702,703</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 702,710</u>	<u>\$ 61,005</u>	<u>\$ -</u>	<u>\$ 856,646</u>
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities				
Accounts payable and accrued liabilities	\$ -	\$ 61,005	\$ -	\$ -
Deferred revenues	-	-	-	-
Due to other funds	1,495,392	-	-	-
	<u>1,495,392</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>1,495,392</u>	<u>61,005</u>	<u>-</u>	<u>-</u>
Fund Balance				
Unassigned	(792,682)	-	-	-
Assigned	-	-	-	856,646
	<u>(792,682)</u>	<u>-</u>	<u>-</u>	<u>856,646</u>
Total Fund Balance	<u>(792,682)</u>	<u>-</u>	<u>-</u>	<u>856,646</u>
Total Liabilities and Fund Balance	<u>\$ 702,710</u>	<u>\$ 61,005</u>	<u>\$ -</u>	<u>\$ 856,646</u>

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COUNTY OF CAMBRIA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2010

	<u>911 Emergency Communication Fund</u>	<u>Domestic Relations Office Fund</u>	<u>Drug and Alcohol Fund</u>
<u>ASSETS</u>			
Assets			
Cash and cash equivalents	\$ 215,111	\$ 1,328	\$ 2,977
Accounts receivable	146,315	-	2,112
Due from other governments	-	556,845	-
Due from other funds	65,475	-	260,739
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 426,901</u>	<u>\$ 558,173</u>	<u>\$ 265,828</u>
<u>LIABILITIES AND FUND BALANCE</u>			
Liabilities			
Accounts payable and accrued liabilities	\$ 69,607	\$ 55,378	\$ 233,395
Deferred revenues	-	-	32,433
Due to other funds	-	502,795	-
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>69,607</u>	<u>558,173</u>	<u>265,828</u>
Fund Balance			
Unassigned	-	-	-
Assigned	357,294	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balance	<u>357,294</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 426,901</u>	<u>\$ 558,173</u>	<u>\$ 265,828</u>

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COUNTY OF CAMBRIA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2010

	Detention/ Shelter Fund	Juvenile Probation Fund	Jail/ Detention Fund	Parks & Playgrounds Fund
<u>ASSETS</u>				
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ 6	\$ -
Accounts receivable	-	-	1,731	-
Due from other governments	72,956	575,378	-	-
Due from other funds	-	-	42,119	-
	<u>72,956</u>	<u>575,378</u>	<u>42,119</u>	<u>-</u>
Total Assets	\$ 72,956	\$ 575,378	\$ 43,856	\$ -
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities				
Accounts payable and accrued liabilities	\$ 42,011	\$ 121,512	\$ -	\$ -
Deferred revenues	-	-	-	-
Due to other funds	30,945	453,866	-	565,812
	<u>72,956</u>	<u>575,378</u>	<u>-</u>	<u>565,812</u>
Total Liabilities	72,956	575,378	-	565,812
Fund Balance				
Unassigned	-	-	-	(565,812)
Assigned	-	-	43,856	-
	<u>-</u>	<u>-</u>	<u>43,856</u>	<u>(565,812)</u>
Total Fund Balance	-	-	43,856	(565,812)
Total Liabilities and Fund Balance	\$ 72,956	\$ 575,378	\$ 43,856	\$ -

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COUNTY OF CAMBRIA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2010

	Human Services Fund	Foster Grand- Parents Fund	Substance Abuse Fund
<u>ASSETS</u>			
Assets			
Cash and cash equivalents	\$ 4,842	\$ 14,910	\$ 108
Accounts receivable	38,079	-	29,736
Due from other governments	-	-	-
Due from other funds	80,537	13,280	537,611
Total Assets	\$ 123,458	\$ 28,190	\$ 567,455
<u>LIABILITIES AND FUND BALANCE</u>			
Liabilities			
Accounts payable and accrued liabilities	\$ 97,592	\$ 2,349	\$ -
Deferred revenues	25,866	25,841	-
Due to other funds	-	-	-
Total Liabilities	123,458	28,190	-
Fund Balance			
Unassigned	-	-	-
Assigned	-	-	567,455
Total Fund Balance	-	-	567,455
Total Liabilities and Fund Balance	\$ 123,458	\$ 28,190	\$ 567,455

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COUNTY OF CAMBRIA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2010

	Farmland Preservation Fund	Driving Under the Influence Fund	Affordable Housing Fund	Register of Wills Automation Fund
<u>ASSETS</u>				
Assets				
Cash and cash equivalents	\$ 1,903	\$ 202,244	\$ 149,585	\$ 5,063
Accounts receivable	-	43,636	-	395
Due from other governments	-	-	10,670	-
Due from other funds	-	1,246,978	-	-
	<u>1,903</u>	<u>1,492,858</u>	<u>160,255</u>	<u>5,458</u>
Total Assets	\$ 1,903	\$ 1,492,858	\$ 160,255	\$ 5,458
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities				
Accounts payable and accrued liabilities	\$ 751	\$ 4,818	\$ -	\$ 1,495
Deferred revenues	-	-	-	-
Due to other funds	-	-	-	500
	<u>751</u>	<u>4,818</u>	<u>-</u>	<u>1,995</u>
Total Liabilities	751	4,818	-	1,995
Fund Balance				
Unassigned	-	-	-	-
Assigned	1,152	1,488,040	160,255	3,463
	<u>1,152</u>	<u>1,488,040</u>	<u>160,255</u>	<u>3,463</u>
Total Fund Balance	1,152	1,488,040	160,255	3,463
Total Liabilities and Fund Balance	\$ 1,903	\$ 1,492,858	\$ 160,255	\$ 5,458

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COUNTY OF CAMBRIA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2010

	Dirt and Gravel Road Fund	Prothonotary Automation Fund	Clerk of Courts Automation Fund
<u>ASSETS</u>			
Assets			
Cash and cash equivalents	\$ 85,715	\$ 57,145	\$ 41,093
Accounts receivable	-	-	-
Due from other governments	-	1,165	730
Due from other funds	-	-	-
Total Assets	\$ 85,715	\$ 58,310	\$ 41,823
<u>LIABILITIES AND FUND BALANCE</u>			
Liabilities			
Accounts payable and accrued liabilities	\$ -	\$ 670	\$ -
Deferred revenues	85,715	-	-
Due to other funds	-	315	-
Total Liabilities	85,715	985	-
Fund Balance			
Unassigned	-	-	-
Assigned	-	57,325	41,823
Total Fund Balance	-	57,325	41,823
Total Liabilities and Fund Balance	\$ 85,715	\$ 58,310	\$ 41,823

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COUNTY OF CAMBRIA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2010

	County Records Improvement Fund	HMER Fund	SHARP Fund	Total
<u>ASSETS</u>				
Assets				
Cash and cash equivalents	\$ 70,428	\$ 152,304	\$ 26,444	\$ 1,899,947
Accounts receivable	-	-	-	310,921
Due from other governments	7,935	-	-	1,225,679
Due from other funds	16,147	358	-	2,965,947
Total Assets	\$ 94,510	\$ 152,662	\$ 26,444	\$ 6,402,494
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities				
Accounts payable and accrued liabilities	\$ 74,319	\$ 96,334	\$ 199	\$ 861,435
Deferred revenues	-	-	-	169,855
Due to other funds	-	-	-	3,049,625
Total Liabilities	74,319	96,334	199	4,080,915
Fund Balance				
Unassigned	-	-	-	(1,358,494)
Assigned	20,191	56,328	26,245	3,680,073
Total Fund Balance	20,191	56,328	26,245	2,321,579
Total Liabilities and Fund Balance	\$ 94,510	\$ 152,662	\$ 26,444	\$ 6,402,494

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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, 2010

	Debt Service Fund	Hotel Tax Fund	Redevelopment Authority	Liquid Fuels Tax Fund
Revenues				
Intergovernmental revenues	\$ -	\$ -	\$ 3,086,330	\$ 1,737,538
Charges for services	-	-	-	-
Interest and investment income	2	15	-	757
Other income	-	381,006	-	890
Total Revenues	2	381,021	3,086,330	1,739,185
Expenditures				
General government - administrative	-	-	-	-
Human services	-	-	-	-
General government -judicial	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	1,455,289
Culture and recreation	-	-	-	-
Emergency communication services	-	-	-	-
Debt service	5,542,748	-	-	-
Conservation and development	-	373,401	3,086,330	-
Total Expenditures	5,542,748	373,401	3,086,330	1,455,289
(Deficiency)/Excess of Revenue Over/(Under) Expenditures	(5,542,746)	7,620	-	283,896
Other Financing Sources/(Uses)				
Operating transfers in	5,038,144	-	-	-
Operating transfers (out)	-	(8,947)	-	-
Total Other Financing Sources/ (Uses)	5,038,144	(8,947)	-	-
(Deficiency)/Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(504,602)	(1,327)	-	283,896
Fund Balance - Beginning of Year	(288,080)	1,327	-	572,750
Fund Balance - End of Year	<u>\$ (792,682)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 856,646</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, 2010

	911 Emergency Communication Fund	Domestic Relations Office Fund	Drug and Alcohol Fund
Revenues			
Intergovernmental revenues	\$ 1,794,541	\$ 1,758,830	\$ 1,777,638
Charges for services	836,743	29,388	-
Interest and investment income	1,204	116	326
Other income	7,950	-	-
Total Revenues	<u>2,640,438</u>	<u>1,788,334</u>	<u>1,777,964</u>
Expenditures			
General government - administrative	-	-	-
Human services	-	-	1,816,301
General government -judicial	-	2,583,319	-
Public safety	-	-	-
Public works	-	-	-
Culture and recreation	-	-	-
Emergency communication services	2,895,207	-	-
Debt service	-	-	-
Conservation and development	-	-	-
Total Expenditures	<u>2,895,207</u>	<u>2,583,319</u>	<u>1,816,301</u>
(Deficiency)/Excess of Revenue (Under) Expenditures	<u>(254,769)</u>	<u>(794,985)</u>	<u>(38,337)</u>
Other Financing Sources/(Uses)			
Operating transfers in	400,000	794,985	38,337
Operating transfers (out)	(498,703)	-	-
Total Other Financing Sources/ (Uses)	<u>(98,703)</u>	<u>794,985</u>	<u>38,337</u>
(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	<u>(353,472)</u>	<u>-</u>	<u>-</u>
Fund Balance - Beginning of Year	<u>710,766</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 357,294</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, 2010

	Detention/ Shelter Fund	Juvenile Probation Fund	Jail/ Detention Fund	Parks & Playgrounds Fund
Revenues				
Intergovernmental revenues	\$ -	\$ 628,951	\$ -	\$ -
Charges for services	878,089	-	-	-
Interest and investment income	-	-	74	-
Other income	50	469,483	21,138	-
Total Revenues	878,139	1,098,434	21,212	-
Expenditures				
General government - administrative	-	-	-	-
Human services	-	-	-	-
General government -judicial	-	-	8,099	-
Public safety	1,594,568	2,778,223	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	551,454
Emergency communication services	-	-	-	-
Debt service	-	-	-	-
Conservation and development	-	-	-	-
Total Expenditures	1,594,568	2,778,223	8,099	551,454
(Deficiency)/Excess of Revenue Over/(Under) Expenditures	(716,429)	(1,679,789)	13,113	(551,454)
Other Financing Sources/(Uses)				
Operating transfers in	716,429	1,679,789	-	600,959
Operating transfers (out)	-	-	-	-
Total Other Financing Sources/ (Uses)	716,429	1,679,789	-	600,959
Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	-	-	13,113	49,505
Fund Balance - Beginning of Year	-	-	30,743	(615,317)
Fund Balance - End of Year	\$ -	\$ -	\$ 43,856	\$ (565,812)

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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, 2010

	Human Services Fund	Foster Grand- Parent Fund	Substance Abuse Fund
Revenues			
Intergovernmental revenues	\$ 620,677	\$ 429,878	\$ -
Charges for services	-	-	-
Interest and investment income	82	66	931
Other income	-	216,296	351,210
Total Revenues	620,759	646,240	352,141
Expenditures			
General government - administrative	-	-	-
Human services	620,759	646,240	-
General government -judicial	-	-	272,524
Public safety	-	-	-
Public works	-	-	-
Culture and recreation	-	-	-
Emergency communication services	-	-	-
Debt service	-	-	-
Conservation and development	-	-	-
Total Expenditures	620,759	646,240	272,524
(Deficiency)/Excess of Revenue Over/(Under) Expenditures	-	-	79,617
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	-	-	79,617
Fund Balance - Beginning of Year	-	-	487,838
Fund Balance - End of Year	\$ -	\$ -	\$ 567,455

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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, 2010

	Farmland Preservation Fund	Driving Under the Influence Fund	Affordable Housing Fund	Register of Wills Automation Fund
Revenues				
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Interest and investment income	-	2,615	181	6
Other income	10,246	622,414	132,454	7,670
Total Revenues	10,246	625,029	132,635	7,676
Expenditures				
General government - administrative	-	-	-	-
Human services	-	-	-	-
General government -judicial	-	213,717	-	8,254
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Emergency communication services	-	-	-	-
Debt service	-	-	-	-
Conservation and development	50,583	-	35,140	-
Total Expenditures	50,583	213,717	35,140	8,254
Excess of Revenue Over/(Under) Expenditures	(40,337)	411,312	97,495	(578)
Other Financing Sources/(Uses)				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	(50,000)	-	-
Total Other Financing Sources/ (Uses)	-	(50,000)	-	-
(Deficiency)/Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(40,337)	361,312	97,495	(578)
Fund Balance - Beginning of Year	41,489	1,126,728	62,760	4,041
Fund Balance - End of Year	\$ 1,152	\$1,488,040	\$ 160,255	\$ 3,463

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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, 2010

	Dirt and Gravel Road Fund	Prothonotary Automation Fund	Clerk of Courts Automation Fund
Revenues			
Intergovernmental revenues	\$ 602	\$ -	\$ -
Charges for services	-	-	-
Interest and investment income	142	111	41
Other income	-	15,550	8,504
Total Revenues	744	15,661	8,545
Expenditures			
General government - administrative	-	-	-
Human services	-	-	-
General government -judicial	-	16,355	1,827
Public safety	-	-	-
Public works	-	-	-
Culture and recreation	-	-	-
Emergency communication services	-	-	-
Debt service	-	-	-
Conservation and development	744	-	-
Total Expenditures	744	16,355	1,827
Excess of Revenue			
Over/(Under) Expenditures	-	(694)	6,718
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	-	(694)	6,718
Fund Balance - Beginning of Year	-	58,019	35,105
Fund Balance - End of Year	\$ -	\$ 57,325	\$ 41,823

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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, 2010

	County Records Improvement Fund	HMER Fund	SHARP Fund	Total
Revenues				
Intergovernmental revenues	\$ -	\$ 95,870	\$ -	\$ 11,930,855
Charges for services	92,060	6,550	-	1,842,830
Interest and investment income	135	98	42	6,944
Other income	-	-	4,313	2,249,174
Total Revenues	92,195	102,518	4,355	16,029,803
Expenditures				
General government - administrative	131,020	-	-	131,020
Human services	-	-	-	3,083,300
General government -judicial	-	-	-	3,104,095
Public safety	-	127,043	464	4,500,298
Public works	-	-	-	1,455,289
Culture and recreation	-	-	-	551,454
Emergency communication services	-	-	-	2,895,207
Debt service	-	-	-	5,542,748
Conservation and development	-	-	-	3,546,198
Total Expenditures	131,020	127,043	464	24,809,609
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	(38,825)	(24,525)	3,891	(8,779,806)
Other Financing Sources/(Uses)				
Operating transfers in	-	-	-	9,268,643
Operating transfers (out)	-	-	-	(557,650)
Total Other Financing Sources/ (Uses)	-	-	-	8,710,993
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(38,825)	(24,525)	3,891	(68,813)
Fund Balance - Beginning of Year	59,016	80,853	22,354	2,390,392
Fund Balance - End of Year	\$ 20,191	\$ 56,328	\$ 26,245	2,321,579

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COMPONENT UNIT COMBINING
AND
INDIVIDUAL FUND
FINANCIAL STATEMENTS

COUNTY OF CAMBRIA
 COMBINING STATEMENT OF NET ASSETS - COMPONENT UNITS
 DECEMBER 31, 2010

	Planning Commission	Redevelopment Authority	Library Association	Municipal Airport Authority	Transit Authority
ASSETS					
Current Assets					
Cash and cash equivalents	\$ 32,424	\$ 449,852	\$ 539,989	\$ 139,507	\$ 6,877,961
Investments	-	-	650,690	200,000	-
Restricted investments	-	-	312,480	-	-
Accounts receivable	92,830	-	17,383	3,011	244,148
Due from other governments	-	390,093	-	144,315	114,253
Inventory	-	-	-	-	533,845
Prepaid expenses and other assets	1,566	258,051	20,361	4,231	148,993
Total current assets	126,820	1,097,996	1,540,903	491,064	7,919,200
Non-current assets					
Fixed assets (net of accumulated depreciati	1,319	845,818	749,105	15,980,528	16,674,670
Deferred Costs	-	-	-	-	-
Total non-current assets	1,319	845,818	749,105	15,980,528	16,674,670
Total Assets	\$ 128,139	\$ 1,943,814	\$ 2,290,008	\$ 16,471,592	\$ 24,593,870
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	\$ 10,075	\$ 630,428	\$ 30,006	\$ 34,040	\$ 576,798
Deferred revenue	-	258,051	5,683	773,868	5,759,194
Due to other governments	-	230,845	-	-	-
Notes payable	-	-	-	52,042	-
Obligation under capital lease	-	-	-	-	-
Total current liabilities	10,075	1,119,324	35,689	859,950	6,335,992
Non-current liabilities					
Due to other governments	-	-	-	-	-
Notes payable	-	-	-	350,778	-
Obligation under capital lease	-	-	-	-	-
Total non-current liabilities	-	-	-	350,778	-
Total Liabilities	10,075	1,119,324	35,689	1,210,728	6,335,992
NET ASSETS					
Investment in fixed assets, net of related del	1,319	845,818	749,105	15,577,708	16,674,670
Restricted (Note 1m)	-	-	312,480	-	1,066,953
Unrestricted	116,745	(21,328)	1,192,734	(316,844)	516,255
Total Net Assets	118,064	824,490	2,254,319	15,260,864	18,257,878
Total Liabilities and Net Assets	\$ 128,139	\$ 1,943,814	\$ 2,290,008	\$ 16,471,592	\$ 24,593,870

See Independent Auditor's Report

COUNTY OF CAMBRIA
COMBINING STATEMENT OF NET ASSETS - COMPONENT UNITS
DECEMBER 31, 2010

	Solid Waste Management Authority	Conservation and Recreation Authority	Community College	Behavioral Health of Cambria County	War Memorial Arena Authority	Totals
ASSETS						
Current Assets						
Cash and cash equivalents	\$ 41,985	\$ 740,442	\$ 3,912,238	\$ 850,386	\$ 62,940	\$ 13,647,724
Investments	-	-	-	-	-	850,690
Restricted investments	-	-	-	-	-	312,480
Accounts receivable	12,783	1,000	89,200	354	25,783	486,492
Due from other governments	104,695	-	96,420	5,175,798	-	6,025,574
Inventory	-	-	-	-	-	533,845
Prepaid expenses and other assets	7,457	-	289,240	1,797,865	-	2,527,764
Total current assets	<u>166,920</u>	<u>741,442</u>	<u>4,387,098</u>	<u>7,824,403</u>	<u>88,723</u>	<u>24,384,569</u>
Non-current assets						
Fixed assets (net of accumulated depreciation)	413,705	7,493,898	9,623,867	28,065	490,705	52,301,680
Deferred Costs	-	-	97,283	-	-	97,283
Total non-current assets	<u>413,705</u>	<u>7,493,898</u>	<u>9,721,150</u>	<u>28,065</u>	<u>490,705</u>	<u>52,398,963</u>
Total Assets	<u>\$ 580,625</u>	<u>8,235,340</u>	<u>14,108,248</u>	<u>7,852,468</u>	<u>579,428</u>	<u>\$ 76,783,532</u>
LIABILITIES						
Current liabilities						
Accounts payable and accrued liabilities	\$ 18,165	\$ 92,867	\$ 861,056	\$ 56,039	60,218	\$ 2,369,692
Deferred revenue	-	540,476	149,729	857,956	-	8,344,957
Due to other governments	-	-	69,274	6,035,888	-	6,336,007
Notes payable	-	-	-	-	8,617	60,659
Obligation under capital lease	-	-	165,693	-	-	165,693
Total current liabilities	<u>18,165</u>	<u>633,343</u>	<u>1,245,752</u>	<u>6,949,883</u>	<u>68,835</u>	<u>17,277,008</u>
Non-current liabilities						
Due to other governments	-	-	142,459	-	-	142,459
Notes payable	-	-	3,115,000	-	38,538	3,504,316
Obligation under capital lease	-	-	214,553	-	-	214,553
Total non-current liabilities	<u>-</u>	<u>-</u>	<u>3,472,012</u>	<u>-</u>	<u>38,538</u>	<u>3,861,328</u>
Total Liabilities	<u>18,165</u>	<u>633,343</u>	<u>4,717,764</u>	<u>6,949,883</u>	<u>107,373</u>	<u>21,138,336</u>
NET ASSETS						
Investment in fixed assets, net of related debt	413,705	7,493,898	6,128,621	28,065	443,550	48,356,459
Restricted (Note 1m)	-	-	-	-	-	1,379,433
Unrestricted	148,755	108,099	3,261,863	874,520	28,505	5,909,304
Total Net Assets	<u>562,460</u>	<u>7,601,997</u>	<u>9,390,484</u>	<u>902,585</u>	<u>472,055</u>	<u>55,645,196</u>
Total Liabilities and Net Assets	<u>\$ 580,625</u>	<u>\$ 8,235,340</u>	<u>\$ 14,108,248</u>	<u>\$ 7,852,468</u>	<u>\$ 579,428</u>	<u>\$ 76,783,532</u>

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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, 2010

	Redevelopment Authority	Library Association	Conservation and Recreation Authority	Total
Revenues:				
Intergovernmental revenues	\$ 4,050,974	\$ 909,786	\$ 10,440	\$ 4,971,200
County appropriations	-	585,000	110,000	695,000
Charges for services	223,977	55,470	-	279,447
Interest and investment income	-	42,607	3,535	46,142
Realized gain on investments	-	(22,486)	-	(22,486)
Unrealized (loss) on investments	-	4,980	-	4,980
Other	-	51,693	44,686	96,379
Total Revenues	4,274,951	1,627,050	168,661	6,070,662
Expenditures:				
Conservation and development	3,492,460	-	240,624	3,733,084
Culture and recreation	-	1,690,461	-	1,690,461
Total Expenditures	3,492,460	1,690,461	240,624	5,423,545
Change in Net Assets	782,491	(63,411)	(71,963)	647,117
Gain on Extinguishment of Debt	-	-	14,303	14,303
Capital Contributions	-	-	-	-
Net Assets - Beginning of Year	41,999	2,317,730	7,659,657	10,019,386
Prior Period Adjustment	-	-	-	-
Net Assets - End of Year	\$ 824,490	\$ 2,254,319	\$ 7,601,997	\$ 10,680,806

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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, 2010

	Planning Commission	Municipal Airport Authority	Transit Authority	Solid Waste Management Authority
Operating Revenues:				
Charges for services	\$ 259,245	\$ 326,526	\$ 911,108	\$ 6,164
Intergovernmental revenues	-	18,523	150,887	71,367
Other	228	129,950	317,129	54,328
Total Operating Revenues	259,473	474,999	1,379,124	131,859
Operating Expenses:				
Public works	306,437	562,051	7,674,568	438,199
Human Services	-	-	-	-
Education and general	-	-	-	-
Depreciation	584	1,224,221	1,810,791	62,947
Total Operating Expenses	307,021	1,786,272	9,485,359	501,146
Operating (Loss)	(47,548)	(1,311,273)	(8,106,235)	(369,287)
Non-Operating Revenues/(Expenses):				
Investment income	85	2,382	33,962	137
Gain/(loss) on sale of assets	-	906	(37,764)	-
Federal appropriations	-	-	1,363,767	-
State appropriations	-	-	4,364,716	-
County appropriations	106,875	156,750	533,000	250,000
Other non-operating revenue/(expense)	-	34,632	-	-
Interest expense	-	(21,217)	-	-
Total Non-Operating Revenues/ (Expenses)	106,960	173,453	6,257,681	250,137
Change in Net Assets	59,412	(1,137,820)	(1,848,554)	(119,150)
Gain on Extinguishment of Debt	-	-	-	-
Capital Contributions	-	251,110	1,487,134	-
Net Assets Beginning of Year	58,652	16,147,574	18,674,972	681,610
Prior Period Adjustment	-	-	(55,674)	-
Net Assets Beginning of Year, as restated	58,652	16,147,574	18,619,298	681,610
Net Assets - End of Year	\$ 118,064	\$ 15,260,864	\$ 18,257,878	\$ 562,460

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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, 2010

	Community College	Behavioral Health of Cambria County	War Memorial Arena Authority	Total
Operating Revenues:				
Charges for services	\$ 5,464,641	\$ 10,050	\$ -	\$ 6,977,734
Intergovernmental revenues	6,520,750	31,866,296	-	38,627,823
Other	100,995	142,993	-	745,623
Total Operating Revenues	12,086,386	32,019,339	-	46,351,180
Operating Expenses:				
Public works	-	-	-	8,981,255
Human Services	-	31,680,804	-	31,680,804
Education and general	14,848,719	-	108,500	14,957,219
Depreciation	787,246	-	-	3,885,789
Total Operating Expenses	15,635,965	31,680,804	108,500	59,505,067
Operating (Loss)	(3,549,579)	338,535	(108,500)	(13,153,887)
Non-Operating Revenues/(Expenses):				
Investment income	-	8,809	-	45,375
Gain/(loss) on sale of assets	-	-	-	(36,858)
Federal appropriations	-	-	-	1,363,767
State appropriations	3,420,816	-	-	7,785,532
County appropriations	1,205,000	-	187,000	2,438,625
Other non-operating revenue/(expense)	74,915	-	-	109,547
Interest expense	(97,176)	-	(388)	(118,781)
Total Non-Operating Revenues/ (Expenses)	4,603,555	8,809	186,612	11,587,207
Change in Net Assets	1,053,976	347,344	78,112	(1,566,680)
Gain on Extinguishment of Debt	-	-	-	-
Capital contributions	18,290	-	-	1,756,534
Net Assets Beginning of Year	8,318,218	555,241	393,943	44,830,210
Prior Period Adjustment	-	-	-	(55,674)
Net Assets Beginning of Year, as restated	8,318,218	555,241	393,943	44,774,536
Net Assets - End of Year	\$ 9,390,484	\$ 902,585	\$ 472,055	\$ 44,964,390

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