



# **COUNTY OF CAMBRIA**

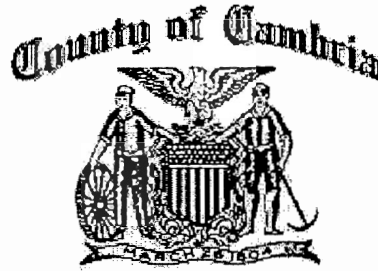
**EBENSBURG, PENNSYLVANIA**

**BASIC FINANCIAL STATEMENTS**

**DECEMBER 31, 2004**

COMMISSIONERS  
*P.J. STEVENS*  
PRESIDENT

*MILAN GJURICH*  
*WILLIAM G. HARRIS*



*ROBERT A. SHAHADE*  
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CHIEF CLERK/FINANCE DIRECTOR

# Office of County Commissioners

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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, 2004. It is best understood if read in conjunction with accompanying basic financial statements, notes to the financial statements, and supplementary information. 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.

### 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/(deficit) of \$2.35 million, which remained essentially unchanged from 2003.
- The General Fund unreserved, unrestricted fund balance/(deficit) was \$(3.03) million, an increase of \$2.4 million from 2003.
- Government-wide net assets (assets minus liabilities) at the end of the year were \$(3.32) million, an increase of \$4.34 million from 2003.
- The outstanding bonds payable were \$41.63 million, a decrease of \$1.28 million from 2003. The balance of outstanding notes payable were \$8.03 million, a decrease of \$0.49 million from 2003. The outstanding balance of obligations under capital leases was \$12.84 million, an increase of \$1.34 million from 2003.
- For calendar year 2004, the County's real property tax rate increased from 33 mills to 42.5 mills.

### **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, Intermediate Punishment, Workers' Compensation, and Landfill Trust. 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, 2004.

#### Cambria County Primary Government Summary of Net Assets December 31, 2004 and 2003

		Governmental Activities		Business-type Activities		Total	
		<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
<b>Assets:</b>							
	Current Assets	\$14,812,034	\$14,617,357	\$4,906,762	\$3,261,928	\$19,718,796	\$17,879,285
	Non-current Assets	<u>41,651,060</u>	<u>40,472,903</u>	<u>13,650,671</u>	<u>12,666,159</u>	<u>55,301,731</u>	<u>53,139,062</u>
	<b>Total Assets</b>	<u>56,463,094</u>	<u>55,090,260</u>	<u>18,557,433</u>	<u>15,928,087</u>	<u>75,020,527</u>	<u>71,018,347</u>
<b>Liabilities:</b>							
	Current Liabilities	12,182,286	12,191,371	3,068,356	2,686,491	15,250,642	14,877,862
	Non-current Liabilities	<u>43,677,442</u>	<u>45,215,831</u>	<u>19,412,041</u>	<u>18,579,933</u>	<u>63,089,483</u>	<u>63,795,764</u>
	<b>Total Liabilities</b>	<u>55,859,728</u>	<u>57,407,202</u>	<u>22,480,397</u>	<u>21,266,424</u>	<u>78,340,125</u>	<u>78,673,626</u>
<b>Net Assets:</b>							
	Investments in Capital Assets, Net Of related Debt	(3,270,799)	(6,071,976)	(4,626,879)	(4,440,445)	(7,897,678)	(10,512,421)
	Unrestricted	2,265,039	1,061,957	703,915	(897,892)	2,968,954	164,065
	Restricted	<u>1,609,126</u>	<u>2,693,077</u>	<u>---</u>	<u>---</u>	<u>1,609,126</u>	<u>2,693,077</u>
	<b>Total Net Assets</b>	<u>\$ 603,366</u>	<u>\$(2,316,942)</u>	<u>\$(3,922,964)</u>	<u>\$(5,338,337)</u>	<u>\$(3,319,598)</u>	<u>\$(7,655,279)</u>

**Total net assets:** Net assets of the County's governmental activities were \$603,366, an increase of \$2.9 million from 2003. Of this amount, \$(3.3) million represents investments in capital assets, net of related debt. The unrestricted net asset balance as of the end of the year was \$2,265,039, which represents an increase of \$1.2 million or 113.3% from 2003. The restricted net asset balance was \$1,609,126 a decrease of \$1.1 million from the prior year. The decrease reflects the release of proceeds in the amount of \$1 million from the county's 2003 capital lease that were restricted pending completion of the 2002 audit. The remaining restrictions include reserves equal to one year's debt service on the County's 2000 general obligation note and the 2003 capital lease in the amount of \$1.53 million, a reserve for the Library for \$25,912, and a reserve for the Community College for \$48,711.

Net assets of the County's business-type activities were \$(3.9) million, an increase of \$1.4 million from 2003. The increase is primarily the result of a \$1.3 million increase in net assets in the operation of Laurel Crest for 2004. Of the total net assets, \$(4.6) million represents investments in capital assets, net of related debt. The unrestricted net asset balance at year-end was \$(0.7) million.

## Government-wide Statement of Activities

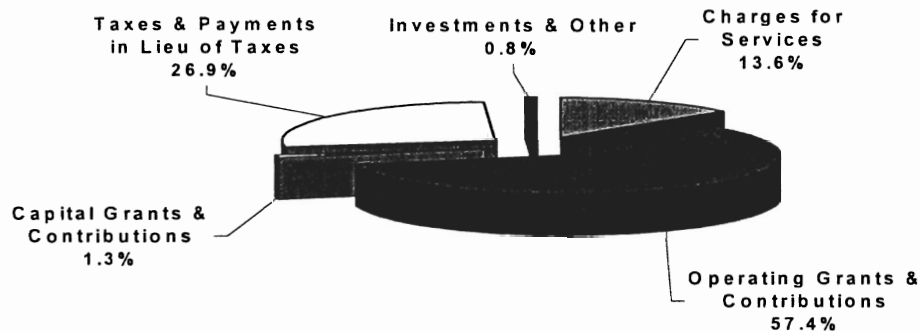
The table below summarizes the changes of net assets for the primary government for the period ended December 31, 2004:

### Cambria County Primary Government Summary of Changes in Net Assets For the Years Ended December 31, 2004 and 2003

	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	\$12,235,198	\$11,924,553	\$28,922,595	\$26,894,357	\$41,157,793	\$38,818,910
Operating Grants & Contributions	51,763,947	48,073,616			51,763,947	48,073,616
Capital Grants & Contributions	1,144,925	1,418,978			1,144,925	1,418,978
General Revenues:						
Taxes & Payments in Lieu of Taxes	24,292,825	19,068,859			24,292,825	19,068,859
Gain(Loss) from Sale of Assets	474,207	(286,519)			474,207	(286,519)
Unrestricted Investment Earnings	127,669	123,079	6,375	2,027	134,044	125,106
Other Revenues	126,290	299,780	7,039	21,597	133,329	321,377
<b>Total Revenues</b>	<b>90,165,061</b>	<b>80,622,346</b>	<b>28,936,009</b>	<b>26,917,981</b>	<b>119,101,070</b>	<b>107,540,327</b>
<b>Expenses:</b>						
General Government-Administrative	4,050,657	3,824,239			4,050,657	3,824,239
General Government-Judicial	8,906,160	8,717,021			8,906,160	8,717,021
Public Safety	7,307,184	7,369,098			7,307,184	7,369,098
Public Works	851,942	748,872			851,942	748,872
Human Services	51,969,220	48,252,005			51,969,220	48,252,005
Culture and Recreation	434,251	260,618			434,251	260,618
Conservation and Development	1,239,365	1,269,824			1,239,365	1,269,824
Emergency Communications Services	2,033,748	2,162,271			2,033,748	2,162,271
Employee Benefits	4,870,489	4,746,380			4,870,489	4,746,380
Debt Service	2,197,375	2,517,254			2,197,375	2,517,254
Unallocated Depreciation	1,997,629	1,844,297			1,997,629	1,844,297
Laurel Crest Manor			26,509,756	24,880,068	26,509,756	24,880,068
Laurel Crest D.M.E.			78,800	143,073	78,800	143,073
Central Park Complex			1,152,091	1,148,778	1,152,091	1,148,778
<b>Total Expenses</b>	<b>85,858,020</b>	<b>81,711,879</b>	<b>27,740,647</b>	<b>26,171,919</b>	<b>113,598,667</b>	<b>107,883,798</b>
Changes in Net Assets Transfers and Capital Contributions	4,307,041	(1,089,533)	1,195,362	746,062	5,502,403	(343,471)
Transfers in/(out) Primary Government	(220,724)	10,939,903	220,011	(10,945,341)	(713)	(5,438)
Transfers in/(out) Component Units	(2,398,913)	(2,278,038)			(2,398,913)	(2,278,038)
Capital Contributions	185,287	3,261,295			185,287	3,261,295
<b>Change in Net Assets</b>	<b>1,872,691</b>	<b>10,833,627</b>	<b>1,415,373</b>	<b>(10,199,279)</b>	<b>3,288,064</b>	<b>634,348</b>
Net Assets – Beginning of Year, restated	(1,269,325)	(13,150,569)	(5,338,337)	4,860,942	(6,607,662)	(8,289,627)
<b>Net Assets – End of Year</b>	<b>\$603,366</b>	<b>\$(2,316,942)</b>	<b>\$(3,922,964)</b>	<b>\$(5,338,337)</b>	<b>\$(3,319,598)</b>	<b>\$(7,652,803)</b>

**Governmental activities revenues:** Revenues for Cambria County's governmental activities were \$90.2 million for the year ended December 31, 2004, an increase of 11.8% from 2003. The following pie chart reflects the sources of those revenues by percent:

Revenues by Source - Governmental Activities  
For the Year Ended December 31, 2004



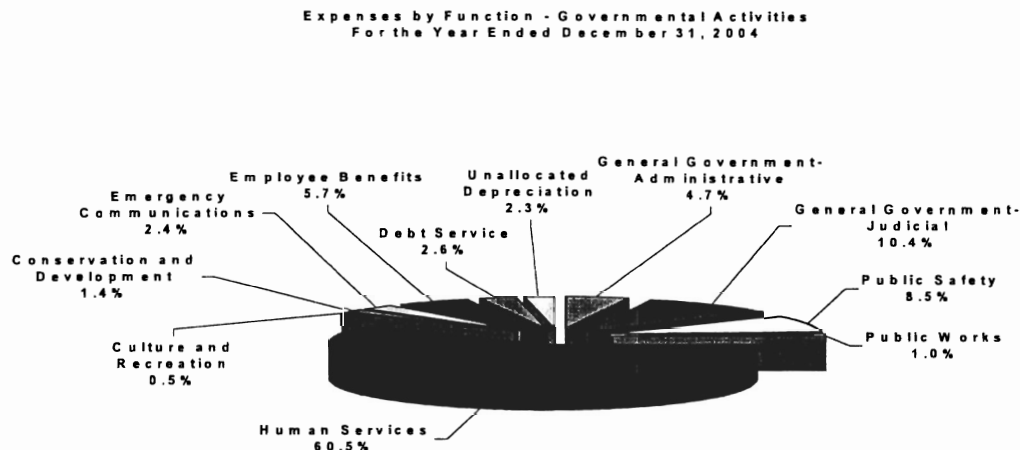
The largest source of governmental activities revenue is operating grants and contributions amounting to \$51.8 million or 57.4%. The Human Services agencies, including Mental Health/Mental Retardation, Children & Youth Services, Drug and Alcohol, Area Agency on Aging, Foster Grandparents, and Human Services receive the largest portion of operating grants and contributions at \$39.4 million or 76.1%. For the most part, Human Services operating grants fund mandated services, which usually require that general fund revenue is 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 \$24.3 million or 26.9%. For 2004, the real estate tax rate was increased from 33 mills to 42.5 mills. Of this amount, 30 mills was designated for general purposes, 10 mills for debt service, 1.5 mills for the Cambria County Area Community College, and 1 mill for the Cambria County Library System. Real estate taxes generated \$23.9 million in governmental activities revenue in 2004. In addition, the County levies a 3% hotel lodging tax. Proceeds from the hotel tax are primarily used to assist in tourist promotional activities by the Cambria County Visitors and Convention Bureau. For the year ending 2004, the hotel tax receipts amounted to \$293,356. Cambria County also receives payments in lieu of taxes from various sources. The County received \$137,466 in payments in lieu of taxes in 2004.

Charges for services amounted to 13.6% or \$12.2 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, and other revenues amounted to \$728,166 or 0.8% of governmental activities revenue.

**Governmental activities expenses:** Expenses for Cambria County's governmental activities were \$85.9 million for the year ended December 31, 2004. The chart below reflects the uses of those expenses:



As indicated by the chart, the County's human services programs comprised the largest portion of governmental activities expenses. They amounted to 60.5% or \$52.0 million for 2004.

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 \$8.9 million or 10.4% in 2004.

Public Safety includes Emergency Management, HMER, SHARP, Prison, Adult Probation, Juvenile Probation, and Detention/Shelter. Expenses in 2004 were 8.5% or \$7.3 million.

Employee Benefits were \$4.9 million or 5.7% of governmental activities expenses. This includes hospitalization, dental coverage, workers' compensation, life insurance, employer taxes, and unemployment.

General Government-Administrative expenses reflect costs associated with the administration of Cambria County government. These expenses were \$4.1 million or 4.7%.

Debt Service on the County's General Obligation Bonds, Lease Rental Indebtedness, and Notes were \$2.2 million or 2.6% of governmental activities expenses.

The remaining expenses of \$4.5 million or 5.3% were for Public Works, Culture and Recreation, Conservation and Development, 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, and Children and Youth Services 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, 2004, the General Fund reported a fund balance of \$2.4 million which was essentially unchanged from the prior year's fund balance of \$2.3 million. This increase is the net result of the lease rental debt proceeds received by the general fund. For 2004, revenues and other financing sources exceeded expenditures and other financing uses by \$2,811.

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 2004 was \$1.7 million. This was a decrease of \$224,954 or 12% from December 31, 2003. During 2004, capital projects funded with grants and the general fund were the North Central Recreation Center construction project, Airport Authority improvements, and the GIS system.

The Mental Health/Mental Retardation (MH/MR) and the Children and Youth Services (CYS) special revenue funds maintain no fund balance. Revenues in the MH/MR fund increased to \$23.5 million from \$21.9 million in 2003, an increase of \$1.6 million or 7.1%. The CYS fund revenue increased from \$7.8 million in 2003 to \$8.8 million in 2004, an increase of \$1.0 million or 13.3%.

**Proprietary Funds:** Cambria County maintains three proprietary funds. Two of the funds relate to the operations of Laurel Crest Rehabilitation and Special Care Center. They are the Laurel Crest Manor fund and the Laurel Crest D.M.E. fund. The third proprietary fund is the Central Park Complex fund. 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, 2004, total net assets of the Laurel Crest Manor fund was \$(4.0) million, an increase of \$1.3 million. The unrestricted net assets of this fund was \$0.6 million and the investment in capital assets net of related debt was \$(4.5) million. The Laurel Crest D.M.E. fund total net assets amounted to \$33,625 on December 31, 2004. This reflects an increase in net assets in the amount of \$33,351 from the beginning of the year.

The net assets of the Central Park Complex (CPC) fund were \$0 on December 31, 2004. The net assets reflect that \$103,358 was unrestricted and \$(103,358) was invested in capital assets net of related debt netting to a zero balance in the fund. The county transferred \$226,679 from the CPC fund to the General Fund for 2004.

## **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 and final budgeted general fund revenue amounts were \$34.9 million and \$37.7 million in 2004, respectively. The actual revenue received during 2004 was \$38.5 million. The following are negative variances in final budgeted revenue to actual revenue during 2004: actual interest and investment income was \$44,998 or 39.5% less than budgeted; actual charges for services were \$579,209 or 7.4% less than budgeted. Actual real estate tax revenue exceeded the budgeted amount by \$460,392 or 2.0%. Other revenues had a positive variance of \$496,958 or 65.2% more than budgeted. Intergovernmental revenues also had a positive final budget variance of \$466,919 or 8.5% for the year.

The original and final budgeted general fund expenditure amounts were \$29.0 million and \$30.7 million in 2004, respectively. The actual expenditures were \$30.5 million for 2004. Positive variances were in general government—administrative for \$516,120 or 10.9%, public works for \$14,893 or 1.6%, conservation and development for \$140,683 or 14.4%, employee benefits for \$54,261 or 1.1%, and debt service for \$36,280 or 49.0%. Negative variances were in general government – judicial for 36,757 or 0.6%, public safety for \$95,657 or 1.3%, human services for \$238,236 or 5.3%, and culture and recreation for \$156,115 or 21.1%.

The original and final budgeted operating transfers in amounts were \$1.3 million and \$1.2 million in 2004, respectively. The actual operating transfers in were \$1.1 million or 9.1% under budget. The original and final budgeted operating transfer out were \$7.3 million and \$8.1 million in 2004, respectively. The actual operating transfers out were \$9.1 million or 11.4% over budget.

Overall, the general fund had an excess of revenues and other financing sources over expenditures and other financing uses of \$2,811 for the year ending December 31, 2004.

## Capital Assets and Debt Administration

### Capital Assets:

The County's investment in capital assets at December 31, 2004, net of accumulated depreciation, amounted to \$55.2 million. This was an increase of \$2.2 million or 4.1% from the previous year. The following table summarizes the County's investment in capital assets:

<b>Summary of Capital Assets</b>			
	Governmental Activities	Business-type Activities	Balance at December 31, 2004
Construction-in-progress	\$ 471,056	\$ 1,637,155	\$ 2,108,211
Land		383,046	383,046
Site/land improvements	2,618,765	443,477	3,062,242
Building and permanent fixtures	47,961,914	26,179,657	74,141,571
Office furniture and equipment	1,680,260		1,680,260
General equipment	1,456,848		1,456,848
Machinery and equipment		4,510,896	4,510,896
Radio equipment	2,284,244		2,284,244
Computer hardware and software	2,439,411		2,439,411
Vehicles	2,615,862		2,615,862
Less accumulated depreciation	(19,877,300)	(19,637,730)	(39,515,030)
<b>Total</b>	<b>\$ 41,651,060</b>	<b>\$ 13,516,501</b>	<b>\$ 55,167,561</b>

Highlights of the amounts expended during 2004 for major capital assets include:

- The County contracted with CLT Efficient Tech Group to install new lighting, chillers, air conditioning units, a laundry heat recovery system, and an energy management system at Laurel Crest. The \$1.6 million is guaranteed to be refunded over the next ten years through energy savings.
- The County received federal grant funding to assist in the construction of the North Central Cambria Recreation Center. During 2004, \$1,134,138 was spent on this project. Of this amount, the County funded \$223,352 of the costs.

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, 2004, Cambria County had outstanding debt of \$49.7 million. During 2004, the County's general obligation bonds and notes decreased by \$1.8 million or 3.5%.

In December 2003, Cambria County guaranteed a \$11.5 million debt agreement between Somerset Trust Company and Lower Yoder Township Authority for the authority to purchase Laurel Crest. Subsequently, the County entered into a lease agreement with the authority for the County to continue to operate the nursing facility. Under the terms of the lease agreement, the County is to pay rent in an amount equal to the annual debt service for the \$11.5 million debt. The balance of this capital lease at December 31, 2004 was \$11.2 million.

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

## **Economic Factors and 2005 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. The County requested that Standard & Poor's review the bond rating due to changes implemented in the financial management of the County. On December 6, 2004, Standard & Poor's retained the 'B' rating, but revised the rating outlook to stable from negative. The County continues to pursue the rating upgrade.
- As of May 2005, the County's unemployment rate was 5.8%. The Commonwealth's rate was 4.8% and the national rate was 5.1% for May 2005.
- The County's taxable assessed value on real estate increased 6.1 million or 1.1% from 2003 to 2004.
- On May 14, 2004, the County changed the predetermined tax assessment ratio from 50% to 100% of the fair market value effective for the tax year 2005 and thereafter.

For fiscal year 2005, the County's real property tax rate was set at 22.25 mills, an increase, after factoring the change in the assessment ratio, of 4.7%. The tax rate for general purpose was set at 15.5 mills, debt service was set at 5 mills, parks and playgrounds purposes was set at 0.5 mill, and the community college and the library millage was set at 0.75 and 0.5, respectively. For 2005, the County changed the dates for the collection of real estate taxes with the discount period beginning March 1<sup>st</sup> from April 1<sup>st</sup>. The change resulted in a decrease in the required tax and revenue anticipation borrowing by \$1 million or 20% for 2005.

## **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.

# COUNTY OF CAMBRIA

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## INDEPENDENT AUDITORS' REPORT

June 24, 2005

Board of Commissioners  
County of Cambria  
Ebensburg, Pennsylvania

We have jointly 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, 2004, 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 management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not jointly audit the financial statements of the component units, all of which are discretely presented component units. Those financial statements were audited by other auditors, including Wessel & Company and Zelenkofske Axelrod LLC, acting separately; whose reports thereon have been furnished to us, and our joint 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 joint 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, a discretely presented component unit, 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 joint audit provides a reasonable basis for our opinion.



In our joint opinion, based on our joint 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, 2004, and the respective changes in financial position and the cash flows, where applicable thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a joint report dated June 24, 2005, 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 joint audit.

The management's discussion and analysis beginning on page I and budgetary comparison information on pages 63 through 65, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no joint opinion on it.

Our joint audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Cambria's basic financial statements. 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 have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our joint opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The employee retirement plan analysis of funding and the component unit combining and individual fund financial statements have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no joint opinion on them.

  
WESSEL & COMPANY  
Certified Public Accountants

  
ZELENIKOF-SKE AXELROD LLC  
Certified Public Accountants

COUNTY OF CAMBRIA  
GOVERNMENT-WIDE STATEMENT OF NET ASSETS  
DECEMBER 31, 2004

	Primary Government			Component
	Governmental Activities	Business-type Activities	Total	Units
<b>ASSETS:</b>				
<b>Current Assets:</b>				
Cash and cash equivalents (Note 2)	\$ 3,757,048	\$ 736,385	\$ 4,493,433	\$ 4,094,307
Investments (Note 2)	-	-	-	223,890
Restricted cash (Note 3)	2,722,505	209,394	2,931,899	49,477
Restricted investments	-	-	-	350,820
Receivables (net of allowance for uncollectibles)				
Accounts	1,660,310	3,092,701	4,753,011	656,792
Taxes (Note 4)	2,431,323	-	2,431,323	-
Due from other governments (Note 5)	4,865,887	-	4,865,887	970,831
Prepaid expenses and other assets	46,530	196,713	243,243	427,000
Internal balances (Note 11)	(671,569)	671,569	-	-
Inventory	-	-	-	444,727
<b>Total Current Assets</b>	<b>14,812,034</b>	<b>4,906,762</b>	<b>19,718,796</b>	<b>7,217,844</b>
<b>Non-Current Assets:</b>				
Deferred loan costs	-	134,170	134,170	-
Fixed assets net of accumulated depreciation (Note 6)	41,651,060	13,516,501	55,167,561	38,849,599
<b>Total Non-Current Assets</b>	<b>41,651,060</b>	<b>13,650,671</b>	<b>55,301,731</b>	<b>38,849,599</b>
<b>Total Assets</b>	<b>\$ 56,463,094</b>	<b>\$ 18,557,433</b>	<b>\$ 75,020,527</b>	<b>\$ 46,067,443</b>
<b>LIABILITIES:</b>				
<b>Current Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 6,539,414	\$ 1,442,748	\$ 7,982,162	\$ 1,551,533
Deferred revenues (Note 1f)	1,282,433	-	1,282,433	1,025,507
Due to other governments (Note 5)	546,877	-	546,877	172,268
Custodial payable	125,080	209,394	334,474	-
Accrued vacation (Note 11 and 13)	1,373,824	848,722	2,222,546	-
Notes payable (Note 11)	435,056	-	435,056	84,041
Bonds payable (Note 11)	1,162,730	172,270	1,335,000	-
Obligations under capital leases (Note 12)	-	395,222	395,222	132,031
Accrued interest	713,476	-	713,476	-
Other liabilities	3,396	-	3,396	-
<b>Total Current Liabilities</b>	<b>12,182,286</b>	<b>3,068,356</b>	<b>15,250,642</b>	<b>2,965,380</b>
<b>Non-Current Liabilities:</b>				
Due to other governments (Note 5)	-	-	-	134,377
Notes payable (Note 11)	7,590,151	-	7,590,151	241,450
Bonds payable (Note 11)	35,020,446	5,269,554	40,290,000	-
Estimated workers' compensation claim (Note 11)	1,066,845	1,701,983	2,768,828	-
Obligations under capital leases (Note 12)	-	12,440,504	12,440,504	336,688
<b>Total Non-Current Liabilities</b>	<b>43,677,442</b>	<b>19,412,041</b>	<b>63,089,483</b>	<b>712,515</b>
<b>Total Liabilities</b>	<b>55,859,728</b>	<b>22,480,397</b>	<b>78,340,125</b>	<b>3,677,895</b>
<b>NET ASSETS:</b>				
Investments in capital assets, net of related debt	(3,270,799)	(4,626,879)	(7,897,678)	38,055,389
Unrestricted	2,265,039	703,915	2,968,954	1,990,561
Restricted - (Note 1n)	1,609,126	-	1,609,126	2,343,598
<b>Total Net Assets</b>	<b>603,366</b>	<b>(3,922,964)</b>	<b>(3,319,598)</b>	<b>42,389,548</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 56,463,094</b>	<b>\$ 18,557,433</b>	<b>\$ 75,020,527</b>	<b>\$ 46,067,443</b>

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, 2004

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
<b>Primary Government Activities:</b>							
General government - administrative	\$ 4,050,657	\$ 876,546	\$ -	\$ -	\$ (3,174,111)	\$ -	\$ (3,174,111)
General government - judicial	8,906,160	2,984,972	2,267,170	-	(3,654,018)	-	(3,654,018)
Public safety	7,307,184	2,816,557	1,020,352	-	(3,470,275)	-	(3,470,275)
Public works	851,942	-	719,814	-	(132,128)	-	(132,128)
Human services	51,969,220	3,205,550	47,076,467	-	(1,687,203)	-	(1,687,203)
Culture and recreation	434,251	23,621	-	1,144,925	734,295	-	734,295
Conservation and development	1,239,365	794,838	665,434	-	220,907	-	220,907
Emergency communication services	2,033,748	1,533,114	14,710	-	(485,924)	-	(485,924)
Employee benefits	4,870,489	-	-	-	(4,870,489)	-	(4,870,489)
Debt service	2,197,375	-	-	-	(2,197,375)	-	(2,197,375)
Unallocated depreciation	1,997,629	-	-	-	(1,997,629)	-	(1,997,629)
<b>Total Governmental Activities</b>	<b>85,858,020</b>	<b>12,235,198</b>	<b>51,763,947</b>	<b>1,144,925</b>	<b>(20,713,950)</b>	<b>-</b>	<b>(20,713,950)</b>
<b>Business-type Activities:</b>							
Laurel Crest Manor	26,509,756	27,847,877	-	-	-	1,338,121	1,338,121
Laurel Crest D.M.E.	78,800	112,425	-	-	-	33,625	33,625
Central Park Complex	1,152,091	962,293	-	-	-	(189,798)	(189,798)
<b>Total Business-type Activities</b>	<b>27,740,647</b>	<b>28,922,595</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,181,948</b>	<b>1,181,948</b>
<b>Total Primary Government</b>	<b>\$ 113,598,667</b>	<b>\$ 41,157,793</b>	<b>\$ 51,763,947</b>	<b>\$ 1,144,925</b>	<b>\$ (20,713,950)</b>	<b>\$ 1,181,948</b>	<b>\$ (19,532,002)</b>
<b>General Revenues:</b>							
Taxes:							
Property Taxes, Levied for General Purposes					\$ 16,753,016	\$ -	\$ 16,753,016
Property Taxes, Levied for Debt Retirement					5,521,795	-	5,521,795
Property Taxes, Levied for Community College					1,003,126	-	1,003,126
Property Taxes, Levied for County Library					584,066	-	584,066
Payments in Lieu of Taxes					137,466	-	137,466
County Hotel Lodging Taxes					293,356	-	293,356
(Loss)/gain from Sale of Assets					474,207	-	474,207
Transfers in/(out) primary government					(220,724)	220,011	(713)
Transfers in/(out) component units					(2,398,913)	-	(2,398,913)
Unrestricted Investment Earnings					127,669	6,375	134,044
Other Revenues					126,290	7,039	133,329
<b>Total General Revenues and Transfers</b>					<b>22,401,354</b>	<b>233,425</b>	<b>22,634,779</b>
Change in Net Assets Before Capital Contributions					1,687,404	1,415,373	3,102,777
Capital Contributions					185,287	-	185,287
<b>Total Change in Net Assets</b>					<b>1,872,691</b>	<b>1,415,373</b>	<b>3,288,064</b>
Net Assets - Beginning of Year, as originally stated					(2,316,942)	(5,338,337)	(7,655,279)
Prior Period Adjustment (Note 18)					1,047,617	-	1,047,617
Net Assets - Beginning of Year, as restated					<b>(1,269,325)</b>	<b>(5,338,337)</b>	<b>(6,607,662)</b>
<b>Net Assets - End of Year</b>					<b>\$ 603,366</b>	<b>\$ (3,922,964)</b>	<b>\$ (3,319,598)</b>

Functions/Programs	Program Revenues			Component Units	Net (Expenses) Revenues and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contribution		
Component Units:					
Governmental Activities:					
Redevelopment Authority	\$ 1,571,334	\$ -	\$ 1,569,754	\$ -	\$ (1,580)
Conservation and Recreation Authority	1,359,429	-	3,068,441	-	1,709,012
Library Association	1,585,756	68,159	859,828	-	(657,769)
Total Component Unit Governmental Activities	4,516,519	68,159	5,498,023	-	1,049,663
Business-type Activities:					
Planning Commission	245,257	203,567	-	-	(41,690)
Municipal Airport Authority	2,597,217	349,786	41,611	-	(2,205,820)
Transit Authority	8,426,271	797,808	5,310,424	-	(2,318,039)
Solid Waste Management Authority	385,915	207	200,000	-	(185,708)
Community College	9,754,308	2,283,511	6,479,536	-	(991,261)
Total Component Unit Business-type Activities	21,408,968	3,634,879	12,031,571	-	(5,742,518)
Total Component Units					
	\$ 25,925,487	\$ 3,703,038	\$ 17,529,594	\$ -	\$ (4,692,855)
General Revenues:					
Gain from Sale of Assets					\$ 16,984
Unrestricted Investment Earnings					39,125
Other Revenues					505,968
Transfers from Primary Government					2,398,913
Total General Revenues and Transfers					2,960,990
Change in Net Assets					(1,731,865)
Capital Contributions					4,703,263
Net Assets - Beginning of Year					39,418,150
Net Assets - End of Year					\$ 42,389,548

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, 2004

	Major Funds				Other Nonmajor Governmental Funds	Totals
	General	Capital Projects	MH/MR	Children and Youth		
<b>ASSETS:</b>						
Cash and cash equivalents	\$ 1,115,795	\$ 421,301	\$ 169,525	\$ 2,220	\$ 2,048,207	\$ 3,757,048
Restricted cash	1,992,811	729,694	-	-	-	2,722,505
Receivables (net of allowance for uncollectibles)						
Accounts	1,241,260	-	187,903	-	231,147	1,660,310
Taxes	2,431,323	-	-	-	-	2,431,323
Due from other governments	101,613	100,000	-	2,191,907	2,468,129	4,861,649
Prepaid expenses and other assets	37,835	-	-	-	8,695	46,530
Due from other funds (Note 1)	3,859,074	515,739	3,154,804	-	178,540	7,708,157
<b>Total Assets</b>	<b>\$10,779,711</b>	<b>\$ 1,766,734</b>	<b>\$ 3,512,232</b>	<b>\$ 2,194,127</b>	<b>\$ 4,934,718</b>	<b>\$ 23,187,522</b>
<b>LIABILITIES:</b>						
Accounts payable and accrued liabilities	\$ 2,142,028	\$ 48,475	\$ 1,907,889	\$ 943,421	\$ 1,497,601	\$ 6,539,414
Deferred revenues	1,789,088	-	985,742	-	296,215	3,071,045
Payable from restricted assets	125,080	-	-	-	-	125,080
Other liabilities	3,397	-	-	-	-	3,397
Due to other governments	-	-	533,508	13,369	-	546,877
Due to other funds (Note 1)	4,374,639	67,763	85,093	1,237,337	2,610,655	8,375,487
<b>Total Liabilities</b>	<b>8,434,232</b>	<b>116,238</b>	<b>3,512,232</b>	<b>2,194,127</b>	<b>4,404,471</b>	<b>18,661,300</b>
<b>FUND BALANCES</b>						
Unreserved fund balance/(deficit)	(3,028,455)	920,802	-	-	530,247	(1,577,406)
Restricted for:						
Loan covenants	804,809	729,694	-	-	-	1,534,503
Penn Highlands Community College (Note 1m)	48,711	-	-	-	-	48,711
911 Emergency Communications (Note 1m)	537,913	-	-	-	-	537,913
Laurel Crest (Note 1m)	3,956,589	-	-	-	-	3,956,589
Library (Note 1m)	25,912	-	-	-	-	25,912
<b>Total Net Assets</b>	<b>2,345,479</b>	<b>1,650,496</b>	<b>-</b>	<b>-</b>	<b>530,247</b>	<b>4,526,222</b>
<b>Total Liabilities and Net Assets</b>	<b>\$10,779,711</b>	<b>\$ 1,766,734</b>	<b>\$ 3,512,232</b>	<b>\$ 2,194,127</b>	<b>\$ 4,934,718</b>	<b>\$ 23,187,522</b>

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

Long-term liabilities, including bonds payable, 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

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

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

Net assets of governmental activities

\$ (47,362,527)
1,788,612
41,651,059
<u>\$ 603,366</u>

COUNTY OF CAMBRIA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2004

	Major Funds				Other Nonmajor Governmental Funds	Totals
	General	Capital Projects	MH/MR	Children and Youth		
<b>Revenues</b>						
Real estate taxes	\$ 23,893,565	\$ -	\$ -	\$ -	\$ -	\$ 23,893,565
Charges for services	7,258,834	-	1,411,774	149,675	3,219,343	12,039,626
Interest and investment income	69,002	9,478	23,732	12	25,445	127,669
Intergovernmental revenues	5,967,080	1,144,925	22,018,326	8,620,779	12,551,108	50,302,218
Other income	1,259,727	-	22,412	7,780	2,894,971	4,184,890
<b>Total Revenues</b>	<b>38,448,208</b>	<b>1,154,403</b>	<b>23,476,244</b>	<b>8,778,246</b>	<b>18,690,867</b>	<b>90,547,968</b>
<b>Expenditures</b>						
General government - administrative	4,201,878	1,244	-	-	-	4,203,122
General government - judicial	6,672,868	-	-	-	2,368,439	9,041,307
Public safety	7,342,396	-	-	-	-	7,342,396
Public works	917,392	-	-	-	699,893	1,617,285
Human services	4,764,736	-	23,876,244	9,692,430	15,163,128	53,496,538
Culture and recreation	896,134	-	-	-	-	896,134
Conservation and development	838,890	-	-	-	544,100	1,382,990
Employee benefits	4,793,791	-	-	-	-	4,793,791
Emergency communication services	-	-	-	-	2,034,956	2,034,956
Debt service	37,768	-	-	-	3,782,628	3,820,396
Capital projects	-	1,601,465	-	-	-	1,601,465
<b>Total Expenditures</b>	<b>30,465,853</b>	<b>1,602,709</b>	<b>23,876,244</b>	<b>9,692,430</b>	<b>24,593,144</b>	<b>90,230,380</b>
<b>Excess/(Deficiency) of Revenues Over/(Under) Expenditures</b>	<b>7,982,355</b>	<b>(448,306)</b>	<b>(400,000)</b>	<b>(914,184)</b>	<b>(5,902,277)</b>	<b>317,588</b>
<b>Other Financing Sources/(Uses)</b>						
Operating transfers in	1,077,444	223,352	400,000	914,184	7,071,775	9,686,755
Operating transfers (out)	(9,056,988)	-	-	-	(850,491)	(9,907,479)
<b>Total Other Financing Sources/(Uses)</b>	<b>(7,979,544)</b>	<b>223,352</b>	<b>400,000</b>	<b>914,184</b>	<b>6,221,284</b>	<b>(220,724)</b>
(Deficiency)/Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	2,811	(224,954)	-	-	319,007	96,864
Fund Balance/(Deficit) - Beginning of Year	2,342,668	1,875,450	-	-	211,240	4,429,358
Fund Balance/(Deficit) - End of Year	\$ 2,345,479	\$ 1,650,496	\$ -	\$ -	\$ 530,247	\$ 4,526,222

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, 2004

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

Net change in fund balance - total governmental funds (page 8)	\$ 96,864
 The compensated absences portion of accrued wages and benefits in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	 (83,637)
 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	  1,601,996
 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	 21,025
 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	 105,904
 The net effect of various transactions involving capital assets, (i.e. purchases, disposals, etc.) is to increase net assets	 <u>130,539</u>
 Change in net assets of governmental activities (page 5)	 <u><u>\$ 1,872,691</u></u>

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

COUNTY OF CAMBRIA  
PROPRIETARY FUNDS  
STATEMENT OF NET ASSETS  
DECEMBER 31, 2004

	Business-type Activities - Enterprise Funds			
	Laurel Crest Manor Fund	Laurel Crest D.M.E. Fund	Central Park Complex	Total
<u>ASSETS</u>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ 736,385	\$ -	\$ -	\$ 736,385
Restricted cash	209,394	-	-	209,394
Accounts receivable	2,907,392	108,228	77,081	3,092,701
Prepaid expenses and other assets	106,638	-	90,075	196,713
Due from other funds	668,764	-	187,861	856,625
<b>Total Current Assets</b>	4,628,573	108,228	355,017	5,091,818
<b>Non-current Assets</b>				
Deferred loan costs	134,170	-	-	134,170
Fixed assets (net of accumulated depreciation and amortization)	8,178,035	-	5,338,466	13,516,501
<b>Total Assets</b>	<u>\$ 12,940,778</u>	<u>\$ 108,228</u>	<u>\$ 5,693,483</u>	<u>\$ 18,742,489</u>
<u>LIABILITIES AND NET ASSETS</u>				
<b>Current Liabilities</b>				
Accounts payable and accrued liabilities	\$ 1,310,468	\$ 4,315	\$ 127,965	\$ 1,442,748
Accrued vacation	839,796	-	8,926	848,722
Custodial payable	209,394	-	-	209,394
Bonds payable	-	-	172,270	172,270
Obligation under capital lease	395,222	-	-	395,222
Due to other funds	-	70,288	114,768	185,056
<b>Total Current Liabilities</b>	2,754,880	74,603	423,929	3,253,412
<b>Non-current Liabilities</b>				
Obligation under capital lease	12,440,504	-	-	12,440,504
Bonds payable	-	-	5,269,554	5,269,554
Estimated workers' compensation claims	1,701,983	-	-	1,701,983
<b>Total Liabilities</b>	<u>16,897,367</u>	<u>74,603</u>	<u>5,693,483</u>	<u>22,665,453</u>
<b>Net Assets</b>				
Investment in capital assets net of related debt	(4,523,521)	-	(103,358)	(4,626,879)
Unrestricted	566,932	33,625	103,358	703,915
<b>Total Net Assets</b>	<u>(3,956,589)</u>	<u>33,625</u>	<u>-</u>	<u>(3,922,964)</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 12,940,778</u>	<u>\$ 108,228</u>	<u>\$ 5,693,483</u>	<u>\$ 18,742,489</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, 2004

	Business-type Activities - Enterprise Funds			
	Laurel Crest Manor Fund	Laurel Crest D.M.E. Fund	Central Park Complex	Total
Operating Revenues:				
Net patient service revenue	\$ 27,847,877	\$ 112,425	\$ -	\$ 27,960,302
Rental income	-	-	962,293	962,293
Total Operating Revenues	<u>27,847,877</u>	<u>112,425</u>	<u>962,293</u>	<u>28,922,595</u>
Operating Expenses:				
Patient care	25,304,784	78,800	-	25,383,584
Depreciation and amortization	594,291	-	217,001	811,292
Loss on sale of fixed asset	822	-	-	822
Maintenance and operating	-	-	652,906	652,906
Total Operating Expenses	<u>25,899,897</u>	<u>78,800</u>	<u>869,907</u>	<u>26,848,604</u>
Operating Income/(Loss)	1,947,980	33,625	92,386	2,073,991
Non-Operating Revenues/(Expenses):				
Investment income	5,715	-	660	6,375
Other income	-	-	7,039	7,039
Interest expense	(609,859)	-	(282,184)	(892,043)
Total Non-Operating Revenues/(Expenses)	<u>(604,144)</u>	<u>-</u>	<u>(274,485)</u>	<u>(878,629)</u>
Income/(Loss) Before Transfers	1,343,836	33,625	(182,099)	1,195,362
Other Financing Sources/(Uses):				
Operating transfers in	795,699	-	446,964	1,242,663
Operating transfers (out)	(795,699)	(274)	(226,679)	(1,022,652)
Total Other Financing Sources/(Uses)	<u>-</u>	<u>(274)</u>	<u>220,285</u>	<u>220,011</u>
Change in Net Assets	1,343,836	33,351	38,186	1,415,373
Net Assets - Beginning of Year	<u>(5,300,425)</u>	<u>274</u>	<u>(38,186)</u>	<u>(5,338,337)</u>
Net Assets - End of Year	<u>\$ (3,956,589)</u>	<u>\$ 33,625</u>	<u>\$ -</u>	<u>\$ (3,922,964)</u>

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

COUNTY OF CAMBRIA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2004

	Business-type Activities - Enterprise Funds			
	Laurel Crest Manor Fund	Laurel Crest D.M.E. Fund	Central Park Complex	Total
<b>Cash Flows From Operating Activities</b>				
Cash received from patients	\$ 27,724,257	\$ 49,549	\$ -	\$ 27,773,806
Cash received from customers	-	-	916,011	916,011
Net increase in interfund payables	-	12,836	(254,603)	(241,767)
Cash payments to employees for services	-	-	(173,325)	(173,325)
Cash payments to suppliers for goods and services	-	-	(490,777)	(490,777)
Cash payments for other operating expenses	(26,148,310)	(62,111)	-	(26,210,421)
Net Cash Provided By/(Used In) Operating Activities	<u>1,575,947</u>	<u>274</u>	<u>(2,694)</u>	<u>1,573,527</u>
<b>Cash Flows From Non-Capital Financing Activities</b>				
Transfers in from other funds	-	-	446,964	446,964
Transfers out to other funds	-	(274)	-	(274)
Net Cash (Used For)/Provided By Non-Capital Financing Activities	<u>-</u>	<u>(274)</u>	<u>446,964</u>	<u>446,690</u>
<b>Cash Flows From Capital and Related Financing Activities</b>				
Purchase of property and equipment	(185,432)	-	-	(185,432)
Proceeds from sale of fixed assets	506	-	-	506
Payment on debt	-	-	(164,780)	(164,780)
Interest paid	(561,410)	-	(285,298)	(846,708)
Repayment to county	(271,263)	-	-	(271,263)
Net Cash (Used For) Capital and Related Financing Activities	<u>(1,017,599)</u>	<u>-</u>	<u>(450,078)</u>	<u>(1,467,677)</u>
<b>Cash Flows From Investing Activities</b>				
Interest on cash equivalents	<u>5,715</u>	<u>-</u>	<u>660</u>	<u>6,375</u>
Net Cash Provided By Investing Activities	<u>5,715</u>	<u>-</u>	<u>660</u>	<u>6,375</u>
 Net Increase/(Decrease) in Cash and Cash Equivalents	 564,063	 -	 (5,148)	 558,915
Cash and Cash Equivalents Beginning of Year	<u>172,322</u>	<u>-</u>	<u>5,148</u>	<u>177,470</u>
Cash and Cash Equivalents at End of Year	<u>\$ 736,385</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 736,385</u>

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

COUNTY OF CAMBRIA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2004

	Business-type Activities - Enterprise Funds			
	Laurel Crest	Laurel Crest	Central	Total
	Manor Fund	D.M.E. Fund	Park Complex	
<b>Reconciliation of Operating Income to Net Cash Provided By Operating Activities:</b>				
Operating Income	\$ 1,947,980	\$ 33,625	\$ 92,386	\$ 2,073,991
Adjustments to reconcile operating income to net cash provided by/(used in) operating activities:				
Depreciation	594,291	-	215,723	810,014
Bad debt expense	21,227	33,060	-	54,287
Loss on disposal of fixed assets	822	-	-	822
Other revenue	-	-	7,039	7,039
Changes in assets and liabilities:				
(Increase) in accounts receivable	(144,847)	(62,876)	(58,503)	(266,226)
Decrease in restricted assets	47,966	-	-	47,966
(Increase) in due from other funds	(668,764)	-	(254,603)	(923,367)
(Increase) in prepaid expense	(94,338)	-	-	(94,338)
Increase/(Decrease) in accounts payable	233,042	(16,373)	(3,586)	213,083
(Decrease) in payable from restricted assets	(47,966)	-	-	(47,966)
(Decrease)/Increase in due to other funds	(147,188)	12,838	-	(134,350)
Increase/(Decrease) in accrued vacation	26,778	-	(1,150)	25,628
(Decrease) in estimated workers' compensation claims	(193,056)	-	-	(193,056)
Total Adjustments	(372,033)	(33,351)	(95,080)	(500,464)
Net Cash Provided By Operating Activities	<u>\$ 1,575,947</u>	<u>\$ 274</u>	<u>\$ (2,694)</u>	<u>\$ 1,573,527</u>

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

COUNTY OF CAMBRIA  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
DECEMBER 31, 2004

	Non-AFDC IRS Fund	Prison Resident Fund	Prison Canteen Fund	Recorder of Deeds
<u>ASSETS</u>				
Assets				
Cash and cash equivalents	\$ 9,778	\$ 11,501	\$ 9,716	\$ 311,493
Investments	-	-	14,063	
Restricted assets:				
Cash	-	-	-	-
Investments	-	-	-	-
Accounts receivable	-	-	-	168
Total Assets	<u>\$ 9,778</u>	<u>\$ 11,501</u>	<u>\$ 23,779</u>	<u>\$ 311,661</u>
<u>LIABILITIES AND NET ASSETS</u>				
Liabilities				
Due to other governments	\$ -	\$ -	\$ -	\$ 298,535
Other liabilities	9,778	11,501	-	13,126
Due to other funds	-	-	-	-
Judgments payable	-	-	-	-
Total Liabilities	<u>9,778</u>	<u>11,501</u>	<u>-</u>	<u>311,661</u>
Net Assets				
Held in trust for the prison canteen	-	-	23,779	-
Held in trust for workers' compensation	-	-	-	-
Held in trust for pension benefits	-	-	-	-
Total Net Assets	<u>-</u>	<u>-</u>	<u>23,779</u>	<u>-</u>
Total Liabilities and Net Assets	<u>\$ 9,778</u>	<u>\$ 11,501</u>	<u>\$ 23,779</u>	<u>\$ 311,661</u>

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

COUNTY OF CAMBRIA  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
DECEMBER 31, 2004

	<u>Registrar of Wills</u>	<u>Sheriff's Office</u>	<u>Office of the Prothonotary</u>
<u>ASSETS</u>			
Assets			
Cash and cash equivalents	\$ 35,503	\$ 275,804	\$ 217,734
Investments	-	-	
Restricted assets:			
Cash	-	-	-
Investments	-	-	-
Accounts receivable	-	-	-
Total Assets	<u>\$ 35,503</u>	<u>\$ 275,804</u>	<u>\$ 217,734</u>
<u>LIABILITIES AND NET ASSETS</u>			
Liabilities			
Due to other governments	\$ 35,503	\$ 52,552	\$ 21,344
Other liabilities		-	920
Due to other funds	-	-	-
Judgments payable	-	223,252	195,470
Total Liabilities	<u>35,503</u>	<u>275,804</u>	<u>217,734</u>
Net Assets			
Held in trust for the prison canteen	-	-	-
Held in trust for workers' compensation	-	-	-
Held in trust for pension benefits	-	-	-
Total Net Assets	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Net Assets	<u>\$ 35,503</u>	<u>\$ 275,804</u>	<u>\$ 217,734</u>

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

COUNTY OF CAMBRIA  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
DECEMBER 31, 2004

	<u>Clerk of Courts</u>	<u>Domestic Relations Support</u>	<u>Intermediate Punishment Unit</u>
<u>ASSETS</u>			
Assets			
Cash and cash equivalents	\$ 781,050	\$ 25,279	\$ 24,100
Investments	-	-	-
Restricted assets:			
Cash	-	-	-
Investments	-	-	-
Accounts receivable	-	-	2,857
Total Assets	<u>\$ 781,050</u>	<u>\$ 25,279</u>	<u>\$ 26,957</u>
<u>LIABILITIES AND NET ASSETS</u>			
Liabilities			
Due to other governments	\$ 418,434	\$ -	\$ -
Other liabilities	-	25,279	26,957
Due to other funds	-	-	-
Judgments payable	362,616	-	-
Total Liabilities	<u>781,050</u>	<u>25,279</u>	<u>26,957</u>
Net Assets			
Held in trust for the prison canteen	-	-	-
Held in trust for workers' compensation	-	-	-
Held in trust for pension benefits	-	-	-
Total Net Assets	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Net Assets	<u>\$ 781,050</u>	<u>\$ 25,279</u>	<u>\$ 26,957</u>

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

COUNTY OF CAMBRIA  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
DECEMBER 31, 2004

	Workers' Compensation Trust Fund	Retirement Trust Fund	Total
<u>ASSETS</u>			
Assets			
Cash and cash equivalents	\$ -	\$ -	\$ 1,701,958
Investments	-	144,261,281	144,275,344
Restricted assets:			
Cash	-	5,219,064	5,219,064
Investments	1,555,790	-	1,555,790
Accounts receivable	18,692	594,967	616,684
Total Assets	<u>\$ 1,574,482</u>	<u>\$ 150,075,312</u>	<u>\$ 153,368,840</u>
<u>LIABILITIES AND NET ASSETS</u>			
Liabilities			
Due to other governments	\$ -	\$ -	\$ 826,368
Other liabilities	-	189,388	276,949
Due to other funds	-	4,239	4,239
Judgments payable	-	-	781,338
Total Liabilities	<u>-</u>	<u>193,627</u>	<u>1,888,894</u>
Net Assets			
Held in trust for the prison canteen	-	-	23,779
Held in trust for workers' compensation	1,574,482	-	1,574,482
Held in trust for pension benefits	-	149,881,685	149,881,685
Total Net Assets	<u>1,574,482</u>	<u>149,881,685</u>	<u>151,479,946</u>
Total Liabilities and Net Assets	<u>\$ 1,574,482</u>	<u>\$ 150,075,312</u>	<u>\$ 153,368,840</u>

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, 2004

Revenues	
Interest income	\$ 66,349
Net depreciation in fair value of investments	<u>(18,347)</u>
Total Revenues	<u>48,002</u>
Expenses	
Operating expenses	<u>7,506</u>
Total Expenses	<u>7,506</u>
Other Financing Sources/(Uses)	
Operating transfers in	<u>713</u>
Total Sources/(Uses)	<u>713</u>
Excess/(Deficiency) of Revenues Over Other Financing Sources/(Uses)	41,209
Net Assets Held in Trust for Specific Purposes - Beginning of Year	<u>1,533,273</u>
Net Assets Held in Trust for Specific Purposes - End of Year	<u><u>\$ 1,574,482</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, 2004

Additions

Contributions:	
Plan members	\$ 3,864,965
Investment Income:	
Interest	3,022,237
Dividends	1,518,335
Net appreciation in fair value of investments	12,192,833
	16,733,405
Less: Investment expense	969,987
Net investment income	15,763,418
Total Additions	19,628,383

Deductions

Benefits	6,311,819
Administrative expenses	61,092
Total Deductions	6,372,911

Increase in Net Assets	13,255,472
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Net Assets Held in Trust for Employee Pension Benefits:

Beginning of Year	136,626,213
End of Year	<u>\$ 149,881,685</u>

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

COUNTY OF CAMBRIA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2004

**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) Statements and Interpretations issued after November 30, 1989, 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. 14, "The Financial Reporting Entity." 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, as set forth in GASB's Codification of Governmental Accounting and Financial Reporting Standards, 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 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 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, 2004.

### **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 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.

### **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 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, 2004.

### **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, formerly the Cambria County Area Community College, is June 30, 2004.

### **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.

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

### **Administrative Offices:**

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

Cambria County Transit Authority  
726 Central Avenue  
Johnstown, PA 15931

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

Cambria Library Association  
248 Main Street  
Johnstown, PA 15901

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

Cambria County Planning Commission  
PO Box 89  
Ebensburg, PA 15931

Pennsylvania Highlands Community College  
PO Box 68  
Johnstown, PA 15901

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

### **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 War Memorial 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.

#### **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 to 800 mental retardation clients through residential placement.

#### **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.

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.

#### 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.

#### **Proprietary Funds**

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

The following are the County's major proprietary funds:

#### Laurel Crest Manor Fund

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

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

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

#### Central Park Complex Fund

The County owns the building called "Central Park Complex" in downtown Johnstown. The county collects rents from tenants in the building (e.g. Pennsylvania Highlands Community College and 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.

#### **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) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989, 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 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 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.

**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 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 in its Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations". Under SFAS No. 117, 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.

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

For the year ended December 31, 2004 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 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.

### **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 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, 2004 the Authority complied with GASB No. 34. The accounts of the Authority are maintained in general and special revenue funds.

**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, 2004, but were levied to finance 2004 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. **Receivables**

**Enterprise Fund Treatment of Unbilled Service Receivables**

The Laurel Crest Manor Fund bills the Pennsylvania Department of Public Welfare for Medical Assistance services provided to its residents. Residents that have not been approved for Medical Assistance are recorded as an unbilled receivable on the Laurel Crest Manor Fund records. At December 31, 2004, the amount of unbilled receivables was \$276,076 and is included in the accounts receivable amount in the accompanying financial statements.

k. **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 roads and bridges.

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

<u>Description</u>	<u>Estimated Lives</u>
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.

#### **I. 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, 2004 were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
<u>Governmental Fund Types</u>		
<b>General Fund</b>	\$ <u>3,859,074</u>	\$ <u>4,374,639</u>
<b>Special Revenue Funds</b>		
Domestic Relations	---	473,307
Juvenile Probation	7,092	584,283
Detention/Shelter	35,041	---
Farmland Preservation	---	561
Driving Under the Influence	---	7,092
911 Emergency Communications	67,763	716,302
County Records Improvement	---	500
Area Agency on Aging	10,479	175,771
Foster Grandparents	17,185	7,047
Children and Youth	---	1,237,337
Drug and Alcohol	40,980	12,606
Human Services	---	35,124
Liquid Fuels	---	6
Chesapeake Bay	---	---
Prothonotary Automation	---	---
Mental Health/Mental Retardation	<u>3,154,804</u>	<u>85,093</u>
Total Special Revenue Funds	<u>3,333,344</u>	<u>3,335,029</u>
<b>Debt Service Fund</b>	<u>---</u>	<u>598,056</u>
<b>Capital Projects Fund</b>	<u>515,739</u>	<u>67,763</u>
Total Governmental Fund Types	<u>7,708,157</u>	<u>8,375,487</u>
<u>Proprietary Fund Types</u>		
Central Park Complex	187,861	114,768
Laurel Crest Manor	668,764	---
Laurel Crest DME	<u>---</u>	<u>70,288</u>
Total Proprietary Fund Types	<u>856,625</u>	<u>185,056</u>
<u>Fiduciary Fund Types</u>		
<b>Trust Funds</b>		
Retirement Trust Fund	<u>---</u>	<u>4,239</u>
Total Trust Funds	<u>---</u>	<u>4,239</u>
Total Fiduciary Fund Types	<u>---</u>	<u>4,239</u>
Total Interfunds	\$ <u>8,564,782</u>	\$ <u>8,564,782</u>

m. **Fund Balance Reserves**

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

**General Fund**

Reserved for Laurel Crest \$ 3,956,589

This reserve represents amounts restricted to cover a Retained Earnings Deficit in the County's Laurel Crest Manor Fund.

Reserved for Library \$ 25,912

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

Reserved for 911 Emergency Communications \$ 537,913

This reserve represents amounts restricted to cover a Fund Deficit in the County's 911 Emergency Communications Fund.

Reserved for Community College \$ 48,711

This reserve represents restrictions for real estate tax revenues to be used to fund the Pennsylvania Highlands Community College.

**Fiduciary Funds**

Retirement Trust Fund \$ 149,881,685

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

Workers' Compensation Trust \$ 1,574,482

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

Prison Canteen/Resident \$ 23,779

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

### **Component Units**

Cambria Library Association \$ 350,820

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

Transit Authority \$ 1,965,422

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

Airport Authority \$ 27,237

This reserve has been established to segregate funds received for future capital additions or improvements.

#### **n. 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, 2004:

Reserved for Loan Covenants	\$ 1,534,503
Reserved for Library	25,912
Reserved for Community College	<u>48,711</u>
Total Restricted Net Assets	\$ <u>1,609,126</u>

#### **o. 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.



**p. 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.

**q. 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.

**r. 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, 2004, was \$4,711 for the Central Park Complex Fund.

**s. 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.

**t. 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 a 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.

	<u>Year Ended December 31, 2004</u>
Current Assets	\$ 727,900
Total Assets	14,135,907
Current Liabilities	840,580
Total Liabilities	8,676,217
Net Assets	5,459,690
Operating Revenues	581,824
Operating Expenses	1,041,055
Non-Operating Revenues	1,105,354
Non-Operating Expenses	336,860
Change in Net Assets	309,263

#### 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.

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

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

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

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

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

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

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

As of December 31, 2004, 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.

Following is a description of the County's deposits and investment information. Investments are classified into three categories of credit risk based upon the following criteria:

<u>Category</u>	<u>Description</u>
A	The investment is insured or registered, or securities are held by the County or its agent in the County's name.
B	The investment is uninsured and unregistered with securities held by the counterpart's trust department or agent in the County's name.
C	The investment is uninsured and unregistered with securities held by the counterpart or by its trust department or agent but not in the County's name.

Deposits are classified into three categories of credit risk based upon the following criteria:

<u>Category</u>	<u>Description</u>
1	The deposits are insured or collateralized by securities held by the County or its agent in the County's name.
2	The deposits are collateralized by securities held by the pledging financial institution's trust department or agent in the County's name.
3	The deposits are 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.

Investments at December 31, 2004, were as follows:

Description	Category			Cost	Fair Market Value
	A	B	C		
Unrestricted:					
Obligation of U.S. Government Securities and its Agencies	\$ ---	\$ ---	\$ 30,035,243	\$ 30,035,243	\$ 30,160,154
Mutual funds	---	---	9,121,174	9,121,174	16,405,725
Corporate bonds and notes	---	---	26,480,593	26,480,593	26,808,840
Municipal obligations	---	---	601,239	601,239	590,441
Stocks	---	---	58,854,659	58,854,659	70,310,184
Total Unrestricted Investments	---	---	125,092,908	125,092,908	144,275,344
Restricted:					
Obligation of U.S. Government Securities and its Agencies	---	---	1,538,922	1,538,922	1,555,790
Total Investments	\$ ---	\$ ---	\$126,631,830	\$126,631,830	\$145,831,134

Cash deposits at December 31, 2004, were as follows:

<u>Description</u>	<u>Category</u>			<u>Total</u>	<u>Carrying Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
Unrestricted:					
Demand deposits with Banks	\$ 4,491,073	\$ ---	\$ 1,701,958	\$ 6,193,031	\$ 6,193,031
Cash on hand	<u>2,360</u>	<u>---</u>	<u>---</u>	<u>2,360</u>	<u>2,360</u>
	<u>4,493,433</u>	<u>---</u>	<u>1,701,958</u>	<u>6,195,391</u>	<u>6,195,391</u>
Restricted:					
Demand deposits with banks	<u>2,931,899</u>	<u>---</u>	<u>5,219,064</u>	<u>8,150,963</u>	<u>8,150,963</u>
Total Deposits	\$ <u>7,425,332</u>	\$ <u>---</u>	\$ <u>6,921,022</u>	\$ <u>14,346,354</u>	\$ <u>14,346,354</u>

### NOTE 3 - RESTRICTED ASSETS

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

	<u>Cash</u>	<u>Investments</u>	<u>Total</u>
<b>Governmental Activities:</b>			
General Fund:			
Tax Claim Department amounts received from tax sales which ultimately will be distributed to other tax authorities. The aggregate amount is offset with a corresponding General Fund liability captioned payable from restricted assets	\$ 1,188,002	\$ ---	\$ 1,188,002
General Fund:			
Cash held by the County reserved for loan covenants	804,809	---	804,809
Capital Projects Fund:			
Cash held by the County reserved for loan covenants	<u>729,694</u>	<u>---</u>	<u>729,694</u>
Total Governmental Activities	<u>\$ 2,722,505</u>	<u>\$ ---</u>	<u>\$ 2,722,505</u>
<b>Business-Type Activities:</b>			
Proprietary Fund:			
Laurel Crest Manor Fund:			
Patient accounts comprising funds held by Laurel Crest Manor in escrow for residents and offset by a corresponding liability captioned payable from restricted assets	\$ <u>209,394</u>	\$ <u>---</u>	\$ <u>209,394</u>
Total Business-Type Activities	<u>\$ 209,394</u>	<u>\$ ---</u>	<u>\$ 209,394</u>

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

Amount established to provide for Pension contribution and offset by a reserve for balance for pension benefits	\$5,219,064	\$ ---	\$ 5,219,064
Amount established to provide source of funds for workers' compensation claims and offset by a reserve in fund balance for workers' compensation	---	<u>1,555,790</u>	<u>1,555,790</u>
Total Fiduciary Funds	\$ <u>5,219,064</u>	\$ <u>1,555,790</u>	\$ <u>6,774,854</u>

**NOTE 4 - REAL ESTATE TAXES**

Real estate taxes attach an enforceable lien on property on January 1. Taxes are billed on or about April 1, payable under the following terms: 2% discount, April 1 through May 31; face amount, June 1 through July 31, and 10% penalty after August 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 2004 was 42.5 mills, of which 10 mills were designated for debt service, 1.5 mills were designated for community college purposes, 1 mill for county library purposes, and the remaining 30 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 \$2,431,323, as stated on the Governmental Funds Balance Sheet, are actual legal claims of lien properties. The County has deferred \$1,789,088 in taxes receivable to comply with GASB No.22 on the fund financial level.

## Government-Wide Financial Statement

In addition to the taxes receivable noted above, the Statement of Net Assets includes taxes receivable from years 2004 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>\$ 3,259,177</u>	<u>(\$ 827,854)</u>	<u>\$ 2,431,323</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, 2004. 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, 2004.

### NOTE 6 - FIXED ASSETS

Capital asset activity for the year ended December 31, 2004 was as follows:

	<u>Balance 12/31/03</u>	<u>Additions</u>	<u>Disposal</u>	<u>Balance 12/31/04</u>
<b>Government activities:</b>				
Capital assets not being depreciated:				
Construction-in-progress	\$ <u>2,351,342</u>	\$ <u>1,690,481</u>	(\$ <u>3,570,767</u> )	\$ <u>471,056</u>
Total capital assets not being depreciated	<u>2,351,342</u>	<u>1,690,481</u>	( <u>3,570,767</u> )	<u>471,056</u>
Other capital assets:				
Site improvements	2,477,708	148,152	( 7,095)	2,618,765
Building and permanent fixtures	44,441,147	3,520,767	( ---)	47,961,914
Office furniture and equipment	1,723,564	20,817	( 64,121)	1,680,260
General equipment	1,448,673	8,175	( ---)	1,456,848



Radio equipment	2,469,630	---	(185,386)	2,284,244
Computer hardware and software	2,309,828	211,109	(81,526)	2,439,411
Vehicles	<u>2,559,409</u>	<u>212,970</u>	<u>(156,517)</u>	<u>2,615,862</u>
Total capital assets, at cost	<u>57,429,959</u>	<u>4,121,990</u>	<u>(494,645)</u>	<u>61,057,304</u>
Less accumulated depreciation for:				
Site improvements	( 584,955)	(62,946)	3,015	(644,886)
Building and permanent fixtures	( 10,331,256)	(1,104,369)	---	(11,435,625)
Office furniture and equipment	( 1,195,499)	(120,224)	53,387	(1,262,336)
General equipment	(813,106)	(132,155)	---	(945,261)
Radio equipment	( 2,343,279)	( 13,741)	120,501	(2,236,519)
Computer hardware and software	( 1,369,124)	( 363,593)	79,147	(1,653,570)
Vehicles	( <u>1,623,561</u> )	( <u>200,601</u> )	<u>125,059</u>	<u>(1,699,103)</u>
Total accumulated depreciation	(\$ <u>18,260,780</u> )	( <u>1,997,629</u> )	<u>381,109</u>	<u>(19,877,300)</u>
Governmental activities capital assets, net	<u>\$ 41,520,521</u>	<u>\$ 3,814,842</u>	<u>(\$ 3,684,303)</u>	<u>\$ 41,651,060</u>

**Business-type activities:**

Capital assets not being depreciated:

Land	\$ <u>383,046</u>	\$ <u>---</u>	\$ <u>---</u>	\$ <u>383,046</u>
Construction-in-progress	<u>---</u>	<u>1,637,155</u>	<u>---</u>	<u>1,637,155</u>
Total capital assets not being depreciated	<u>383,046</u>	<u>1,637,155</u>	<u>---</u>	<u>2,020,201</u>

Other Capital assets:

Land improvements	443,477	---	---	443,477
Buildings and permanent fixtures	26,141,731	37,926	---	26,179,657
Machinery & equipment	<u>4,405,524</u>	<u>117,339</u>	<u>( 11,967)</u>	<u>4,510,896</u>
Total capital assets at cost	<u>30,990,732</u>	<u>155,265</u>	<u>( 11,967)</u>	<u>31,134,030</u>
Less accumulated depreciation for:				
Land improvements	( 420,789)	( 4,092)	---	( 424,881)
Buildings and permanent fixtures	( 14,862,738)	( 649,861)	---	( 15,512,599)
Machinery & equipment	( <u>3,563,852</u> )	( <u>147,037</u> )	<u>10,639</u>	( <u>3,700,250</u> )
Total accumulated depreciation	( <u>18,847,379</u> )	( <u>800,990</u> )	<u>10,639</u>	( <u>19,637,730</u> )
Business-type activities capital assets, net	<u>\$ 12,526,399</u>	<u>\$ 991,430</u>	<u>(\$ 1,328)</u>	<u>\$ 13,516,501</u>

**COMPONENT UNITS:**

Summaries of the component units' fixed assets as of December 31, 2004 follow:

	Balance <u>12/31/03</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>12/31/04</u>
<b>Planning Commission:</b>				
Equipment	\$ 23,195	\$ 7,991	\$ ---	\$ 31,186
Equipment under capital lease	<u>11,452</u>	( <u>7,991</u> )	<u>---</u>	<u>3,461</u>
Total capital assets at cost	<u>34,647</u>	<u>---</u>	<u>---</u>	<u>34,647</u>
Less:				
Accumulated depreciation	( <u>30,055</u> )	( <u>2,939</u> )	<u>---</u>	( <u>32,994</u> )
Total capital assets, net	<u>\$ 4,592</u>	<u>(\$ 2,939)</u>	<u>\$ ---</u>	<u>\$ 1,653</u>

**Redevelopment Authority:**

Furniture & equipment	\$ <u>25,132</u>	\$ <u>4,029</u>	(\$ <u>150</u> )	\$ <u>29,011</u>
Total capital assets at cost	<u>25,132</u>	<u>4,029</u>	( <u>150</u> )	<u>29,011</u>
Less:				
Accumulated depreciation	( <u>23,229</u> )	( <u>803</u> )	<u>150</u>	( <u>23,882</u> )
Total capital assets, net	\$ <u><u>1,903</u></u>	\$ <u><u>3,226</u></u>	\$ <u><u>---</u></u>	\$ <u><u>5,129</u></u>

**Library Association:**

Books & audio visual	\$ 1,074,144	\$ 95,081	(\$ 22,888)	\$ 1,146,337
Improvements	144,645	---	---	144,645
Furniture & equipment	46,611	---	---	46,611
Software	121,121	---	---	121,121
Computer equipment	351,135	---	( 609)	350,526
Equipment under capital lease	<u>42,597</u>	<u>---</u>	<u>---</u>	<u>42,597</u>
Total capital assets at cost	<u>1,780,253</u>	<u>95,081</u>	( <u>23,497</u> )	<u>1,851,837</u>
Less:				
Accumulated depreciation	( <u>941,584</u> )	( <u>164,440</u> )	<u>23,497</u>	( <u>1,082,527</u> )
Total capital assets, net	\$ <u><u>838,669</u></u>	(\$ <u><u>69,359</u></u> )	(\$ <u><u>---</u></u> )	\$ <u><u>769,310</u></u>

**Municipal Airport Authority:**

Land	\$ 1,347,048	\$ ---	\$ ---	\$ 1,347,048
Construction-in-progress	2,473,309	465,009	---	2,938,318
Improvements	27,508,764	---	---	27,508,764
Building & improvements	3,506,167	---	---	3,506,167
Vehicles & equipment	<u>1,778,208</u>	<u>12,573</u>	( <u>2,615</u> )	<u>1,788,166</u>
Total capital assets at cost	<u>36,613,496</u>	<u>477,582</u>	( <u>2,615</u> )	<u>37,088,463</u>
Less:				
Accumulated depreciation	( <u>19,608,420</u> )	( <u>1,970,199</u> )	<u>2,615</u>	( <u>21,576,004</u> )
Total capital assets, net	\$ <u><u>17,005,076</u></u>	(\$ <u><u>1,492,617</u></u> )	\$ <u><u>---</u></u>	\$ <u><u>15,512,459</u></u>

**Transit Authority:**

Land – Inclined Plane	\$ 516,712	\$ ---	\$ ---	\$ 516,712
Right-of-ways	335,709	---	---	335,709
Passenger vehicles	9,511,715	226,697	---	9,738,412
Buildings & equipment- Inclined Plane	8,110,511	6,962	---	8,117,473
Buildings	6,380,810	2,130,544	---	8,511,354
Shop equipment	908,146	15,950	---	924,096
Office equipment	609,916	90,401	---	700,317
Miscellaneous equipment	559,438	3,751	---	563,189
Service equipment	541,556	881	---	542,437
Shelters, signs, & bus stops	499,319	---	---	499,319
Safety program	191,637	---	(4,783)	186,854
Penn fix program	<u>29,404</u>	<u>7,086</u>	<u>---</u>	<u>36,490</u>
Total capital assets at cost	<u>28,194,873</u>	<u>2,482,272</u>	( <u>4,783</u> )	<u>30,672,362</u>
Less:				
Accumulated depreciation	( <u>13,219,490</u> )	( <u>1,334,705</u> )	<u>4,783</u>	( <u>14,549,412</u> )
Total capital assets, net	<u>\$ 14,975,383</u>	<u>\$ 1,147,567</u>	<u>\$ ---</u>	<u>\$ 16,122,950</u>

**Solid Waste Management Authority:**

Furniture & fixtures	\$ 19,098	\$ ---	\$ ---	\$ 19,098
Equipment	882,696	---	---	882,696
Improvements	<u>8,772</u>	<u>839</u>	<u>---</u>	<u>9,611</u>
Total capital assets at cost	<u>910,566</u>	<u>839</u>	<u>---</u>	<u>911,405</u>
Less:				
Accumulated depreciation	( <u>164,742</u> )	( <u>70,546</u> )	<u>---</u>	( <u>235,288</u> )
Total capital assets, net	<u>\$ 745,824</u>	( <u>\$ 69,707</u> )	<u>\$ ---</u>	<u>\$ 676,117</u>

**Conservation & Recreation Authority:**

Land	\$ 123,439	\$ 4,430,763	\$ ---	\$ 4,554,202
Equipment	---	7,960	---	7,960
Total capital assets at cost	<u>123,439</u>	<u>4,438,723</u>	<u>---</u>	<u>4,562,162</u>
Less:				
Accumulated depreciation	( --- )	( 531 )	---	( 531 )
Total capital assets, net	<u>\$ 123,439</u>	<u>\$ 4,438,192</u>	<u>\$ ---</u>	<u>\$ 4,561,631</u>

**Pennsylvania Highlands Community College:**

Equipment	\$ 2,078,030	\$ 435,030	\$ (164,992)	\$ 2,348,068
Signage	15,061	---	---	15,061
Leasehold improvements	---	33,083	---	33,083
Computer software	<u>617,631</u>	<u>---</u>	<u>---</u>	<u>617,631</u>
Total capital assets at cost	<u>2,710,722</u>	<u>468,113</u>	<u>(164,992)</u>	<u>3,013,843</u>
Less:				
Accumulated depreciation	( <u>1,515,016</u> )	( <u>463,469</u> )	<u>164,992</u>	( <u>1,813,493</u> )
Total capital assets, net	<u>\$ 1,195,706</u>	<u>\$ 4,644</u>	<u>\$ ---</u>	<u>\$ 1,200,350</u>

**Total Component Unit Capital Assets at December 31, 2004** **\$38,849,599**

**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 January 1, 2005, the date of the latest actuarial valuation:

Retirees and Beneficiaries Receiving Benefits	619
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	72
Active Plan Members	<u>1,269</u>
	<u>1,960</u>

### Contributions

Plan members are required to contribute 9% of their salaries and may contribute up to 19%. 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.

### Actuarial Valuation Information

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:	5-Year Smoothed Market
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 2004, was determined as part of the January 1, 2004, actuarial valuation. The County's annual pension cost, annual required contribution and net pension obligation to the Cambria County Employee's Retirement System were \$723,384 for 2004. 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, 2002	\$ ---	N/A	\$ ---
December 31, 2003	\$ 11,704	100%	\$ ---
December 31, 2004	\$715,840	101%	\$ ---

## **NOTE 8 - POSTEMPLOYMENT HEALTH CARE BENEFITS**

In addition to the pension benefits described in Note 6, the County provides post employment health care benefits in accordance with the requirements of the members' respective bargaining unit and in accordance with the requirements set forth by the Retirement Board of Cambria County. The post employment health care benefits apply to all employees who retire from the County and who qualify for either normal retirement or early retirement. The County reimburses the retiree for the cost incurred in connection with the Medicare Premium - Part B and all retirees are provided a \$5,000 life insurance policy.

Expenditures for post employment health care benefits were financed on a pay-as-you-go basis. Currently, 353 retirees and their spouses meet those eligibility requirements. During the year ended December 31, 2004, expenditures of \$1,649,937 were recognized for post employment health care.

## **NOTE 9 - RISK MANAGEMENT**

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

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

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

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

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

All accrued workers' compensation self-insurance liabilities at December 31, 2004 are summarized as follows:

<u>Laurel Crest Manor Enterprise Fund</u>	<u>Long-Term Obligation</u>	<u>Total</u>
\$ <u>1,701,983</u>	\$ <u>1,066,845</u>	\$ <u>2,768,828</u>

The following summary provides aggregate information on workers' compensation self-insurance liabilities; incurred claims and payments during the years ended December 31, 2004 and 2003:

<u>Year</u>	<u>January 1, Liability</u>	<u>Incurred Claims</u>	<u>Payments</u>	<u>December 31, Liability</u>
2004	\$ <u>2,885,186</u>	\$ <u>375,176</u>	\$ <u>491,534</u>	\$ <u>2,768,828</u>
2003	\$ <u>2,567,818</u>	\$ <u>580,234</u>	\$ <u>262,866</u>	\$ <u>2,885,186</u>



## **NOTE 10 - CAPITAL CONTRIBUTIONS**

### **Governmental Activities**

In 2000, the City of Johnstown and Cambria County, began the Johnstown Renaissance Complex Project. The project was being funded through the Commonwealth of Pennsylvania's Redevelopment Assistance Capital Program. In addition to the state funding, matching funds were required from the City of Johnstown and the County. As of December 31, 2004 the County contributed a total of \$2 million toward the project.

As part of the total project, renovations were made to the County owned War Memorial Arena. Capital contributions as stated on the Government-Wide Statement of Activities at December 31, 2004 amounting to \$185,287 represent the value of the current year additions to the Arena. The total project cost at December 31, 2004 amounted to \$10,532,505. The project was completed during 2004.

### **Component Units**

Summaries of the component units' capital contributions as of December 31, 2004 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 \$535,303 at December 31, 2004.

#### **Transit Authority**

Capital grant contributions from federal and state governments amounted to \$1,536,025 for the Transit Authority at December 31, 2004.

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

Capital contributions in the amount of \$2,631,935 were recognized for land that was donated to the Authority.

## NOTE 11 – LONG-TERM OBLIGATIONS

Long-term liability activity for the year ended December 31, 2004, was as follows:

	<u>Balance 12/31/03</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/04</u>	<u>Amounts Due Within One Year</u>
<b>Governmental Activities:</b>					
Bonds and Notes Payable:					
1994 General Obligation Bonds	\$ 5,478,000	\$ ---	(\$ 178,000)	\$ 5,300,000	\$ 185,000
1998 General Obligation Bonds	31,818,735	---	(935,559)	30,883,176	977,730
General Obligation Notes	8,513,644	---	(488,437)	8,025,207	435,056
Other Liabilities:					
Accrued Vacation Pay	1,366,885	1,373,824	(1,366,885)	1,373,824	1,373,824
Estimated Workers' Compensation Liability	<u>990,147</u>	<u>76,698</u>	<u>---</u>	<u>1,066,845</u>	<u>---</u>
Governmental Activities Long-term Liabilities	<u>\$48,167,411</u>	<u>\$1,450,522</u>	<u>(\$ 2,968,881)</u>	<u>\$46,649,052</u>	<u>\$2,971,610</u>
	<u>Balance 12/31/03</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/04</u>	<u>Amounts Due Within One Year</u>
<b>Business-type Activities:</b>					
Bonds and Notes Payable:					
1998 General Obligation Bonds	\$ 5,606,604	\$ ---	(\$ 164,780)	\$ 5,441,824	\$ 172,270
Other Liabilities:					
Accrued Vacation Pay	823,094	848,722	(823,094)	848,722	848,722
Estimated Workers' Compensation Liability	<u>1,895,039</u>	<u>---</u>	<u>( 193,056)</u>	<u>1,701,983</u>	<u>---</u>
Business-type Activities Long-term Liabilities	<u>\$ 8,324,737</u>	<u>\$ 848,722</u>	<u>(\$ 1,180,930)</u>	<u>\$ 7,992,529</u>	<u>\$ 1,020,992</u>

## **Description of Debt**

Pertinent information regarding general obligation debt outstanding is presented below:

### **General Obligation Bond, Series of 1994:**

The County issued \$37,385,000 in General Obligation Bonds in 1994 to advance refund the 1991 General Obligation Bond issue and refund the 1993A and 1993B General Obligation Notes and finance the costs of certain capital projects of the County. The 1991 General Obligation Bonds were originally incurred to purchase certain equipment of the County. The 1993B General Obligation note was originally incurred to renovate the War Memorial Building. The balance outstanding at December 31, 2004 amounted to \$5,300,000 (final maturity in 2022).

### **General Obligation Bond, 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 \$36,325,000 at December 31, 2004 (final maturity in 2023).

### **General Obligation Note, Series of 2000**

The County issued \$9,500,000 in General Obligation Bonds in 2000 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 \$8,025,207 (final maturity in 2030).

Interest rates on the above obligations range from 3.518% to 6.625% for the general obligation bonds and lease rental debt. The County has pledged its taxing power as security for general obligation and lease rental debt.

The principal amount outstanding relative to defeased debt at December 31, 2004, amounted to \$25,225,000.

### **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. The interest rate on the General Obligation Notes is based on the prime rate each month and therefore interest is not included in the following amounts:

	<u>Principal Requirements</u>	<u>Interest Requirements</u>	<u>Total Debt Service Requirements</u>
<b>1994 General Obligation Bond</b>			
<u>Years Ending December 31:</u>			
2005	\$ 185,000	\$ 330,080	\$ 515,080
2006	195,000	319,905	514,905
2007	205,000	308,449	513,449
2008	220,000	296,405	516,405
2009	230,000	283,480	513,480
2010-2014	1,400,000	1,175,217	2,575,217
2015-2019	1,915,000	663,580	2,578,580
2020-2022	<u>950,000</u>	<u>89,860</u>	<u>1,039,860</u>
	<u>\$ 5,300,000</u>	<u>\$ 3,466,976</u>	<u>\$ 8,766,976</u>
To be Retired by:			
Business-Type Activities	\$ ---	\$ ---	\$ ---
Governmental Activities	<u>5,300,000</u>	<u>3,466,976</u>	<u>8,766,976</u>
	<u>\$ 5,300,000</u>	<u>\$ 3,466,976</u>	<u>\$ 8,766,976</u>
<b>1998 General Obligation Bond</b>			
<u>Years Ending December 31:</u>			
2005	\$ 1,150,000	\$ 1,849,588	\$ 2,999,588
2006	1,205,000	1,799,275	3,004,275
2007	1,255,000	1,746,255	3,001,255
2008	1,310,000	1,689,780	2,999,780
2009	1,380,000	1,624,280	3,004,280
2010-2014	---	6,966,625	6,966,625
2015-2019	11,910,000	4,531,000	16,441,000
2020-2023	<u>18,115,000</u>	<u>1,524,000</u>	<u>19,639,000</u>
	<u>\$ 36,325,000</u>	<u>\$ 21,730,803</u>	<u>\$ 58,055,803</u>
To be Retired by:			
Business-Type Activities	\$ 5,441,824	\$ 3,255,274	\$ 8,697,098
Governmental Activities	<u>30,883,176</u>	<u>18,475,529</u>	<u>49,358,705</u>
	<u>\$ 36,325,000</u>	<u>\$ 21,730,803</u>	<u>\$ 58,055,803</u>

	<u>Principal Requirements</u>	<u>Interest Requirements</u>	<u>Total Debt Service Requirements</u>
<b>2000 General Obligation Note</b>			
<u>Years Ending December 31:</u>			
2005	\$ 435,056	\$ 278,534	\$ 713,590
2006	450,496	263,094	713,590
2007	466,483	247,106	713,589
2008	483,039	230,551	713,590
2009	500,181	213,408	713,589
2010-2014	2,780,112	787,834	3,567,946
2015-2019	<u>2,909,840</u>	<u>253,540</u>	<u>3,163,380</u>
	<u>\$ 8,025,207</u>	<u>\$ 2,274,067</u>	<u>\$ 10,299,274</u>
To be Retired by:			
Business-Type Activities	\$ ---	\$ ---	\$ ---
Governmental Activities	<u>8,025,207</u>	<u>2,274,067</u>	<u>10,299,274</u>
	<u>\$ 8,025,207</u>	<u>\$ 2,274,067</u>	<u>\$ 10,299,274</u>

## **NOTE 12 - CAPITAL LEASE**

### Upper Yoder Township Authority

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

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

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

In order for the County to continue to operate the nursing facility, an "Agreement of Lease" was entered into between the County and Authority dated as of December 2003 that allows the County to continue to occupy the nursing facility. The term of the lease is from December 10, 2003 through November 30, 2028. The County shall pay to the Authority the minimum net annual rental due

being an amount equal to the annual debt service requirements with respect to the Authority's \$11,500,000 debt with Somerset Trust Company.

Under the terms of the "Agreement of Lease", at any time the County will have the option of purchasing the facility from the Authority for \$1.00 plus the amount, if any, required to defease the lien of the \$11,500,000 debt with Somerset Trust Company.

#### CLT Efficient Tech Group

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%. Assets acquired through this capital lease are presently recorded as construction in progress.

The required principal payments on the above two (2) leases for the next five years are as follows.

2005	\$ 395,222
2006	414,094
2007	433,882
2008	454,631
2009	476,388
Thereafter	<u>10,661,509</u>
	<u>\$ 12,835,726</u>

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

### **Component Units**

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

##### **Guarantees of Indebtness**

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, 2004, was \$358,119.

## **NOTE 14 - COMPENSATED ABSENCES**

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

### **Vacation Pay**

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

### **Sick Pay**

Employees earn one sick day for each month of service or 12 days per year. County employees may accumulate their unused sick days up to a maximum of 130 days to be taken in any given year. However, upon termination of employment, sick days do not vest.

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. This amounted to \$0 at December 31, 2004. 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 - LEGAL COMPLIANCE

For the year ended December 31, 2004, the following funds' expenditures exceeded appropriations by the following amounts:

<u>Fund</u>	<u>Amount</u>
General Fund	\$ 689,221
Hotel Tax	13,556
Farmland Preservation	12,796
911 Emergency Communications	47,713
Domestic Relations	201,249
Detention/Shelter	94,053
Foster Grandparents	11,530
Human Services	102,241
Mental Health/Mental Retardation	298,342
Drug and Alcohol	863,416
Driving Under the Influence	21,208
Central Park Complex	264,970

Additional unbudgeted sources of 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, 2004.

<u>Fund</u>	<u>Amount</u>
Laurel Crest Manor Fund	\$ 3,956,589
Debt Service	571,575
911 Emergency Communications	537,913



## 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 Transit Authority	\$ <u>462,042</u>
Cambria County Municipal Airport Authority	\$ <u>210,990</u>
Cambria Library Association	\$ <u>558,154</u>
Cambria County Planning Commission	\$ <u>60,000</u>
Pennsylvania Highlands Community College	\$ <u>954,416</u>
Cambria County Conservation and Recreation Authority	\$ <u>61,000</u>
Cambria County Solid Waste Management Authority	\$ <u>92,311</u>

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

Cambria County Child Development Corp.	\$ <u>3,645,889</u>
Cambria County Industrial Development Authority	\$ <u>78,000</u>
Upper Yoder Township Authority	\$ <u>795,699</u>

### **Pennsylvania Highlands Community College**

During fiscal year ending June 30, 2004, the College incurred costs of \$254,078 representing lease expense.

### **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 - PRIOR PERIOD ADJUSTMENT

During the 2004 fiscal year, various fixed assets that were previously not identified were included within the fixed asset balance on the Government-Wide Financial Statements, net of accumulated depreciation. The net effect of including these assets is as follows.

Land/Site Improvements	\$ 1,037,542
Building & Permanent Fixtures	3,546,855
Accumulated Depreciation	<u>(3,536,780)</u>
	<u>\$ 1,047,617</u>

#### NOTE 19 - 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 20 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The Enterprise Funds provide health care services (Laurel Crest Manor Fund and Laurel Crest D.M.E. Fund) and building space for various human service agencies and third parties (Central Park Complex Fund). Segment information applicable to these Enterprise Funds as of and for the year ended December 31, 2004, is as follows:

	Laurel Crest Manor Fund	Laurel Crest D.M.E.	Central Park Complex	Total
Operating Revenues	27,847,877	\$ 112,425	\$ 962,293	\$ 28,922,595
Depreciation and Amortization Expense	594,291	---	217,001	811,292
Operating Income/(Loss)	1,947,980	33,625	92,386	2,073,991
Net Income (Loss)	1,343,836	33,351	38,186	1,415,373
Fixed Asset Additions	1,792,420	---	---	1,792,420
Fixed Asset Deletions	( 11,967)	---	---	(11,967)
Total Assets	12,940,778	108,228	5,693,483	18,742,484
Capital Leases	12,835,726	---	---	12,835,726
Bonds	---	---	5,441,824	5,441,824
Total Net Assets/(Deficit)	(3,956,589)	33,625	---	( 3,922,964)

The Laurel Crest Manor Fund reported a retained earnings deficit of \$3,956,589 at December 31, 2004. The General Fund included a reserve fund balance to adequately fund this deficit.

## NOTE 21 - SUBSEQUENT EVENT

### Tax Anticipation Note

In January, 2005, the County issued a tax and revenue anticipation note of \$4,000,000. The note will be paid off in 2005.

### Energy Management Debt

In April, 2005, the County entered into a ten (10) year lease agreement with a local energy company. The lease is for equipment with a fair market value of \$579,091. Monthly payments on the lease, in the amount of \$6,100, will begin on August 15, 2005 and continue through August 15, 2015, at which time ownership will transfer to the County. The energy savings from this equipment is guaranteed by the lessor to offset the monthly lease payments.

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, 2004

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
<b>Revenues</b>				
Real estate taxes	\$ 20,777,440	\$ 23,433,173	\$ 23,893,565	\$ 460,392
Charges for services	7,981,990	7,838,043	7,258,834	(579,209)
Interest and investment income	114,000	114,000	69,002	(44,998)
Intergovernmental revenues	5,419,160	5,500,161	5,967,080	466,919
Other	639,690	762,769	1,259,727	496,958
Total Revenues	34,932,280	37,648,146	38,448,208	800,062
<b>Expenditures</b>				
General government - Administrative	3,641,904	4,717,998	4,201,878	516,120
General government - Judicial	6,304,542	6,636,111	6,672,868	(36,757)
Public safety	6,798,056	7,246,739	7,342,396	(95,657)
Public works	847,285	932,285	917,392	14,893
Human services	4,494,000	4,526,500	4,764,736	(238,236)
Culture and recreation	671,369	740,019	896,134	(156,115)
Conservation and development	1,132,764	979,573	838,890	140,683
Employee benefits	5,050,750	4,848,052	4,793,791	54,261
Debt service	37,600	74,048	37,768	36,280
Total Expenditures	28,978,270	30,701,325	30,465,853	235,472
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	5,954,010	6,946,821	7,982,355	1,035,534
<b>Other Financing Sources/(Uses)</b>				
Operating transfers in	1,337,000	1,185,474	1,077,444	(108,030)
Operating transfers (out)	(7,291,010)	(8,132,295)	(9,056,988)	(924,693)
Total Other Financing Sources/(Uses)	(5,954,010)	(6,946,821)	(7,979,544)	(1,032,723)
Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	-	-	2,811	2,811
Fund Balances - Beginning of Year	-	-	2,342,668	2,342,668
Fund Balances - End of Year	\$ -	\$ -	\$ 2,345,479	\$ 2,345,479

See Independent Auditor's Report

COUNTY OF CAMBRIA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - MH/MR FUND  
FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final	Amounts	
Revenues				
Intergovernmental revenues	\$ 21,885,097	\$ 21,885,097	\$ 22,018,326	\$ 193,969
Charges for services	1,217,805	1,217,805	1,411,774	(21,268)
Interest and investment income	45,000	45,000	23,732	133,229
Other income	30,000	30,000	22,412	(7,588)
Total Revenues	<u>23,177,902</u>	<u>23,177,902</u>	<u>23,476,244</u>	<u>298,342</u>
Expenditures				
Human services	<u>23,527,902</u>	<u>23,577,902</u>	<u>23,876,244</u>	<u>(298,342)</u>
Total Expenditures	<u>23,527,902</u>	<u>23,577,902</u>	<u>23,876,244</u>	<u>(298,342)</u>
(Deficiency)/Excess of Revenue Over/(Under)				
Expenditures	<u>(350,000)</u>	<u>(400,000)</u>	<u>(400,000)</u>	<u>-</u>
Other Financing Sources/(Uses)				
Operating transfers in	350,000	400,000	400,000	-
Operating transfers (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources/ (Uses)	<u>350,000</u>	<u>400,000</u>	<u>400,000</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over/(Under)				
Expenditures and Other Financing Uses	-	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditor's Report

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, 2004

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable/ (Unfavorable)
Revenues				
Intergovernmental revenues	\$ 8,981,905	\$ 9,014,675	\$ 8,620,779	\$ (393,896)
Charges for services	118,095	118,095	149,675	31,580
Interest and investment income	-	-	12	12
Other income	-	-	7,780	7,780
Total Revenues	9,100,000	9,132,770	8,778,246	(354,524)
Expenditures				
Human services	10,000,000	10,267,770	9,692,430	575,340
Total Expenditures	10,000,000	10,267,770	9,692,430	575,340
(Deficiency)/Excess of Revenue Over/(Under)				
Expenditures	(900,000)	(1,135,000)	(914,184)	220,816
Other Financing Sources/(Uses)				
Operating transfers in	900,000	1,135,000	914,184	(220,816)
Operating transfers (out)	-	-	-	-
Total Other Financing Sources/ (Uses)	900,000	1,135,000	914,184	(220,816)
Excess of Revenues and Other Financing Sources Over/(Under)				
Expenditures and Other Financing Uses	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
Fund Balance - End of Year	\$ -	\$ -	\$ -	\$ -

See Independent Auditor's Report

SUPPLEMENTARY  
INFORMATION



COUNTY OF CAMBRIA  
EMPLOYEE RETIREMENT PLAN -  
SUPPLEMENTARY INFORMATION  
ANALYSIS OF FUNDING  
FOR THE YEAR ENDED DECEMBER 31, 2004

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, 2000	\$ ---	N/A
December 31, 2001	\$ ---	N/A
December 31, 2002	\$ ---	N/A
December 31, 2003	\$11,704	100%
December 31, 2004	\$715,840	101%

Note: Cambria County adopted Governmental Accounting Standards Board Statement Number 25, "Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans" in 1998, therefore only four years are presented in this schedule.

The Cambria County Employee's Retirement System uses the aggregate actuarial cost method, therefore a schedule of funding progress is not presented as required supplementary information pursuant to GASB Statements No. 25 and No. 27. The aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities.

## **COUNTY OF CAMBRIA NONMAJOR FUNDS**

**The following are the County's nonmajor funds, for the year ending December 31, 2004:**

### **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.

**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 COMMUNICATION 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 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.

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

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

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

**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.

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

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

**PROTHONOTARY AUTOMATION FUND:** The Office of Prothonotary collects a \$5 fee per new item recorded (e.g. divorce, custody agreement, etc). This money may be used to

improve the Prothonotary's Office automation (e.g. purchase of computers, printers, computer systems, or installation of new wiring).

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

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

COUNTY OF CAMBRIA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2004

	Debt Service Fund	Hotel Tax Fund	Liquid Fuels Tax Fund
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 26,626	\$ 7,803	\$ 209,306
Accounts receivable	-	46,139	-
Due from other governments	-	-	-
Prepaid expenses and other assets	-	-	-
Due from other funds	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 26,626</u>	<u>\$ 53,942</u>	<u>\$ 209,306</u>
<u>LIABILITIES AND FUND BALANCE</u>			
Liabilities			
Accounts payable and accrued liabilities	\$ 145	\$ 53,942	\$ 448
Deferred revenues	-	-	-
Due to other funds	598,056	-	6
	<u>598,056</u>	<u>-</u>	<u>6</u>
Total Liabilities	<u>598,201</u>	<u>53,942</u>	<u>454</u>
Fund Balance			
Unreserved	<u>(571,575)</u>	<u>-</u>	<u>208,852</u>
Total Fund Balance	<u>(571,575)</u>	<u>-</u>	<u>208,852</u>
Total Liabilities and Fund Balance	<u>\$ 26,626</u>	<u>\$ 53,942</u>	<u>\$ 209,306</u>

See Independent Auditor's Report

COUNTY OF CAMBRIA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2004

	911 Emergency Communication Fund	Domestic Relations Office Fund	Drug and Alcohol Fund
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>
	<u>ASSETS</u>		
Cash and cash equivalents	\$ 74,049	\$ 1,118	\$ 228,140
Accounts receivable	116,141	-	-
Due from other governments	-	557,886	219,488
Prepaid expenses and other assets	-	-	-
Due from other funds	<u>67,763</u>	<u>-</u>	<u>40,980</u>
Total Assets	<u>\$ 257,953</u>	<u>\$ 559,004</u>	<u>\$ 488,608</u>
	<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities			
Accounts payable and accrued liabilities	\$ 79,564	\$ 85,697	\$ 254,519
Deferred revenues	-	-	221,483
Due to other funds	<u>716,302</u>	<u>473,307</u>	<u>12,606</u>
Total Liabilities	<u>795,866</u>	<u>559,004</u>	<u>488,608</u>
Fund Balance			
Unreserved	<u>(537,913)</u>	<u>-</u>	<u>-</u>
Total Fund Balance	<u>(537,913)</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 257,953</u>	<u>\$ 559,004</u>	<u>\$ 488,608</u>

See Independent Auditor's Report

COUNTY OF CAMBRIA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2004

	<u>Detention/ Shelter Fund</u>	<u>Juvenile Probation Fund</u>	<u>Jail/ Detention Fund</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ -	\$ -	\$ 20,954
Accounts receivable	-	-	4,503
Due from other governments	14,233	768,550	-
Prepaid expenses and other assets	-	-	-
Due from other funds	<u>35,041</u>	<u>7,092</u>	<u>-</u>
Total Assets	<u>\$ 49,274</u>	<u>\$ 775,642</u>	<u>\$ 25,457</u>
<u>LIABILITIES AND FUND BALANCE</u>			
Liabilities			
Accounts payable and accrued liabilities	\$ 49,274	\$ 191,359	\$ -
Deferred revenues	-	-	-
Due to other funds	<u>-</u>	<u>584,283</u>	<u>-</u>
Total Liabilities	<u>49,274</u>	<u>775,642</u>	<u>-</u>
Fund Balance			
Unreserved	<u>-</u>	<u>-</u>	<u>25,457</u>
Total Fund Balance	<u>-</u>	<u>-</u>	<u>25,457</u>
Total Liabilities and Fund Balance	<u>\$ 49,274</u>	<u>\$ 775,642</u>	<u>\$ 25,457</u>

See Independent Auditor's Report

COUNTY OF CAMBRIA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2004

	Area Agency on Aging Fund	Human Services Fund	Foster Grand- Parents Fund	Substance Abuse Fund
	<u>ASSETS</u>			
Cash and cash equivalents	\$ 15,763	\$ 63,729	\$ 13,766	\$ 95,922
Accounts receivable	-	19,363	-	5,640
Due from other governments	865,771	-	-	-
Prepaid expenses and other assets	-	-	-	-
Due from other funds	10,479	-	17,185	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 892,013</u>	<u>\$ 83,092</u>	<u>\$ 30,951</u>	<u>\$ 101,562</u>
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities				
Accounts payable and accrued liabilities	\$ 716,242	\$ 47,968	\$ 14,578	\$ -
Deferred revenues	-	-	9,326	-
Due to other funds	175,771	35,124	7,047	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities	<u>892,013</u>	<u>83,092</u>	<u>30,951</u>	<u>-</u>
Fund Balance				
Unreserved	<u>-</u>	<u>-</u>	<u>-</u>	<u>101,562</u>
Total Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>101,562</u>
Total Liabilities and Fund Balance	<u>\$ 892,013</u>	<u>\$ 83,092</u>	<u>\$ 30,951</u>	<u>\$ 101,562</u>

See Independent Auditor's Report



COUNTY OF CAMBRIA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2004

	Farmland Preservation Fund	Driving Under the Influence Fund	Affordable Housing Fund	Register of Wills Fund
<u>ASSETS</u>				
Cash and cash equivalents	\$ 5,565	\$ 200,029	\$ 660,653	\$ 4,015
Accounts receivable	-	38,936	-	425
Due from other governments	1,892	-	12,683	-
Prepaid expenses and other assets	-	-	-	-
Due from other funds	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 7,457</u>	<u>\$ 238,965</u>	<u>\$ 673,336</u>	<u>\$ 4,440</u>
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities				
Accounts payable and accrued liabilities	\$ 101	\$ 2,308	\$ -	\$ -
Deferred revenues	-	-	-	-
Due to other funds	561	7,092	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities	<u>662</u>	<u>9,400</u>	<u>-</u>	<u>-</u>
Fund Balance				
Unreserved	<u>6,795</u>	<u>229,565</u>	<u>673,336</u>	<u>4,440</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Fund Balance	<u>6,795</u>	<u>229,565</u>	<u>673,336</u>	<u>4,440</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities and Fund Balance	<u>\$ 7,457</u>	<u>\$ 238,965</u>	<u>\$ 673,336</u>	<u>\$ 4,440</u>

See Independent Auditor's Report

COUNTY OF CAMBRIA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2004

	Chesapeake Bay Fund	Dirt and Gravel Road Fund	Prothonotary Automation Fund	Clerk of Courts Automation Fund
<u>ASSETS</u>				
Cash and cash equivalents	\$ 12,103	\$ 53,599	\$ 29,911	\$ 10,420
Accounts receivable	-	-	-	-
Due from other governments	-	-	900	821
Prepaid expenses and other assets	-	-	-	-
Due from other funds	-	-	-	-
Total Assets	<u>\$ 12,103</u>	<u>\$ 53,599</u>	<u>\$ 30,811</u>	<u>\$ 11,241</u>
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities				
Accounts payable and accrued liabilities	\$ 296	\$ -	\$ 315	\$ -
Deferred revenues	11,807	53,599	-	-
Due to other funds	-	-	-	-
Total Liabilities	<u>12,103</u>	<u>53,599</u>	<u>315</u>	<u>-</u>
Fund Balance				
Unreserved	-	-	30,496	11,241
Total Fund Balance	<u>-</u>	<u>-</u>	<u>30,496</u>	<u>11,241</u>
Total Liabilities and Fund Balance	<u>\$ 12,103</u>	<u>\$ 53,599</u>	<u>\$ 30,811</u>	<u>\$ 11,241</u>

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COUNTY OF CAMBRIA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2004

	County Records Improvement Fund	HMER Fund	SHARP Fund	Total
<u>ASSETS</u>				
Cash and cash equivalents	\$ 255,107	\$ 45,696	\$ 13,933	\$ 2,048,207
Accounts receivable	-	-	-	231,147
Due from other governments	-	25,905	-	2,468,129
Prepaid expenses and other assets	8,695	-	-	8,695
Due from other funds	-	-	-	178,540
	<u>-</u>	<u>-</u>	<u>-</u>	<u>178,540</u>
Total Assets	<u>\$ 263,802</u>	<u>\$ 71,601</u>	<u>\$ 13,933</u>	<u>\$ 4,934,718</u>
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities				
Accounts payable and accrued liabilities	\$ 500	\$ 345	\$ -	\$ 1,497,601
Deferred revenues	-	-	-	296,215
Due to other funds	500	-	-	2,610,655
	<u>1,000</u>	<u>345</u>	<u>-</u>	<u>4,404,471</u>
Total Liabilities	<u>1,000</u>	<u>345</u>	<u>-</u>	<u>4,404,471</u>
Fund Balance -				
Unreserved	<u>262,802</u>	<u>71,256</u>	<u>13,933</u>	<u>530,247</u>
Total Fund Balance	<u>262,802</u>	<u>71,256</u>	<u>13,933</u>	<u>530,247</u>
Total Liabilities and Fund Balance	<u>\$ 263,802</u>	<u>\$ 71,601</u>	<u>\$ 13,933</u>	<u>\$ 4,934,718</u>

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COUNTY OF CAMBRIA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2004

	Debt Service Fund	Hotel Tax Fund	Liquid Fuels Tax Fund
Revenues			
Intergovernmental revenues	\$ -	\$ -	\$ 623,370
Charges for services	-	-	-
Interest and investment income	280	225	2,375
Other income	-	293,356	4,902
Total Revenues	280	293,581	630,647
Expenditures			
Human services	-	-	-
General government - Judicial	-	-	-
Public works	-	-	699,893
Emergency communication services	-	-	-
Debt service	3,782,628	-	-
Conservation and development	-	288,789	-
Total Expenditures	3,782,628	288,789	699,893
(Deficiency)/Excess of Revenue Over/(Under) Expenditures	(3,782,348)	4,792	(69,246)
Other Financing Sources/(Uses)			
Operating transfers in	5,044,663	-	-
Operating transfers (out)	(795,699)	(4,792)	-
Total Other Financing Sources/ (Uses)	4,248,964	(4,792)	-
(Deficiency)/Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	466,616	-	(69,246)
Fund Balance - Beginning of Year	(1,038,191)	-	278,098
Fund Balance - End of Year	\$ (571,575)	\$ -	\$ 208,852

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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, 2004

	911 Emergency Communication Fund	Domestic Relations Office Fund	Drug and Alcohol Fund
Revenues			
Intergovernmental revenues	\$ 13,310	\$ 1,484,960	\$ 1,985,635
Charges for services	1,533,114	42,128	-
Interest and investment income	331	128	4,127
Other income	1,400	-	390,400
Total Revenues	<u>1,548,155</u>	<u>1,527,216</u>	<u>2,380,162</u>
Expenditures			
Human services	-	-	2,420,162
General government - Judicial	-	2,104,946	-
Public works	-	-	-
Emergency communication services	2,034,956	-	-
Debt service	-	-	-
Conservation and development	-	-	-
Total Expenditures	<u>2,034,956</u>	<u>2,104,946</u>	<u>2,420,162</u>
(Deficiency)/Excess of Revenue (Under) Expenditures	<u>(486,801)</u>	<u>(577,730)</u>	<u>(40,000)</u>
Other Financing Sources/(Uses)			
Operating transfers in	386,590	577,730	40,000
Operating transfers (out)	-	-	-
Total Other Financing Sources/ (Uses)	<u>386,590</u>	<u>577,730</u>	<u>40,000</u>
(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(100,211)	-	-
Fund Balance - Beginning of Year	<u>(437,702)</u>	-	-
Fund Balance - End of Year	<u><u>\$ (537,913)</u></u>	<u><u>\$ -</u></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, 2004

	Detention/ Shelter Fund	Juvenile Probation Fund	Jail/ Detention Fund
Revenues			
Intergovernmental revenues	\$ -	\$ 1,651,399	\$ -
Charges for services	971,245	-	-
Interest and investment income	-	-	53
Other income	-	1,379,170	25,404
Total Revenues	<u>971,245</u>	<u>3,030,569</u>	<u>25,457</u>
Expenditures			
Human services	1,284,472	3,455,134	-
General government - Judicial	-	-	-
Public works	-	-	-
Emergency communication services	-	-	-
Debt service	-	-	-
Conservation and development	-	-	-
Total Expenditures	<u>1,284,472</u>	<u>3,455,134</u>	<u>-</u>
(Deficiency)/Excess of Revenue Over/(Under) Expenditures	<u>(313,227)</u>	<u>(424,565)</u>	<u>25,457</u>
Other Financing Sources/(Uses)			
Operating transfers in	313,227	424,565	-
Operating transfers (out)	-	-	-
Total Other Financing Sources/ (Uses)	<u>313,227</u>	<u>424,565</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	-	-	25,457
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 25,457</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, 2004

	Area Agency on Aging Fund	Human Services Fund	Foster Grand- Parent Fund	Substance Abuse Fund
Revenues				
Intergovernmental revenues	\$ 5,496,460	\$ 850,140	\$ 412,705	\$ -
Charges for services	538,861	-	-	-
Interest and investment income	2,682	1,066	743	911
Other income	31,204	-	246,755	36,736
Total Revenues	6,069,207	851,206	660,203	37,647
Expenditures				
Human services	6,344,207	851,206	660,203	33,151
General government - Judicial	-	-	-	-
Public works	-	-	-	-
Emergency communication services	-	-	-	-
Debt service	-	-	-	-
Conservation and development	-	-	-	-
Total Expenditures	6,344,207	851,206	660,203	33,151
(Deficiency)/Excess of Revenue Over/(Under) Expenditures	(275,000)	-	-	4,496
Other Financing Sources/(Uses)				
Operating transfers in	275,000	-	-	-
Operating transfers (out)	-	-	-	-
Total Other Financing Sources/ (Uses)	275,000	-	-	-
Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	-	-	-	4,496
Fund Balance - Beginning of Year	-	-	-	97,066
Fund Balance - End of Year	\$ -	\$ -	\$ -	\$ 101,562

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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, 2004

	Farmland Preservation Fund	Driving Under the Influence Fund	Affordable Housing Fund	Register of Wills Fund
Revenues				
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Interest and investment income	115	3,399	4,178	52
Other income	15,277	270,378	167,171	6,776
Total Revenues	15,392	273,777	171,349	6,828
Expenditures				
Human services	-	-	-	-
General government - Judicial	-	239,207	-	3,877
Public works	-	-	-	-
Emergency communication services	-	-	-	-
Debt service	-	-	-	-
Conservation and development	34,946	-	214,015	-
Total Expenditures	34,946	239,207	214,015	3,877
Excess of Revenue Over/(Under) Expenditures	(19,554)	34,570	(42,666)	2,951
Other Financing Sources/(Uses)				
Operating transfers in	10,000	-	-	-
Operating transfers (out)	-	(50,000)	-	-
Total Other Financing Sources/ (Uses)	10,000	(50,000)	-	-
(Deficiency)/Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(9,554)	(15,430)	(42,666)	2,951
Fund Balance - Beginning of Year	16,349	244,995	716,002	1,489
Fund Balance - End of Year	\$ 6,795	\$ 229,565	\$ 673,336	\$ 4,440

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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, 2004

	Chesapeake Bay Fund	Dirt and Gravel Road Fund	Prothonotary Automation Fund	Clerk of Courts Automation Fund
<b>Revenues</b>				
Intergovernmental revenues	\$ 6,217	\$ 1,007	\$ -	\$ -
Charges for services	-	-	-	-
Interest and investment income	133	495	313	177
Other income	-	-	12,570	8,108
<b>Total Revenues</b>	<b>6,350</b>	<b>1,502</b>	<b>12,883</b>	<b>8,285</b>
<b>Expenditures</b>				
Human services	-	1,502	-	-
General government - Judicial	-	-	5,157	15,252
Public works	-	-	-	-
Emergency communication services	-	-	-	-
Debt service	-	-	-	-
Conservation and development	6,350	-	-	-
<b>Total Expenditures</b>	<b>6,350</b>	<b>1,502</b>	<b>5,157</b>	<b>15,252</b>
<b>Excess of Revenue Over/(Under) Expenditures</b>	<b>-</b>	<b>-</b>	<b>7,726</b>	<b>(6,967)</b>
<b>Other Financing Sources/(Uses)</b>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
<b>Total Other Financing Sources/ (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses</b>	<b>-</b>	<b>-</b>	<b>7,726</b>	<b>(6,967)</b>
<b>Fund Balance - Beginning of Year</b>	<b>-</b>	<b>-</b>	<b>22,770</b>	<b>18,208</b>
<b>Fund Balance - End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 30,496</b>	<b>\$ 11,241</b>

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COUNTY OF CAMBRIA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2004

	County Records Improvement Fund	HMER Fund	SHARP Fund	Total
Revenues				
Intergovernmental revenues	\$ -	\$ 25,905	\$ -	\$ 12,551,108
Charges for services	117,195	16,800	-	3,219,343
Interest and investment income	2,743	729	190	25,445
Other income	-	-	5,364	2,894,971
Total Revenues	119,938	43,434	5,554	18,690,867
Expenditures				
Human services	66,765	35,748	10,578	15,163,128
General government - Judicial	-	-	-	2,368,439
Public works	-	-	-	699,893
Emergency communication services	-	-	-	2,034,956
Debt service	-	-	-	3,782,628
Conservation and development	-	-	-	544,100
Total Expenditures	66,765	35,748	10,578	24,593,144
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	53,173	7,686	(5,024)	(5,902,277)
Other Financing Sources/(Uses)				
Operating transfers in	-	-	-	7,071,775
Operating transfers (out)	-	-	-	(850,491)
Total Other Financing Sources/ (Uses)	-	-	-	6,221,284
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	53,173	7,686	(5,024)	319,007
Fund Balance - Beginning of Year	209,629	63,570	18,957	211,240
Fund Balance - End of Year	\$ 262,802	\$ 71,256	\$ 13,933	\$ 530,247

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COUNTY OF CAMBRIA  
COMBINING STATEMENT OF NET ASSETS - COMPONENT UNITS  
DECEMBER 31, 2004

	Planning Commission	Redevelopment Authority	Library Association
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 14,196	\$ 175,147	\$ 406,283
Restricted cash	-	-	-
Investments	-	-	223,890
Restricted investments	-	-	350,820
Accounts receivable	52,355	-	46,981
Due from other governments	-	411,934	-
Inventory	-	-	-
Prepaid expenses and other assets	1,074	167,020	16,403
Total current assets	<u>67,625</u>	<u>754,101</u>	<u>1,044,377</u>
<b>Non-current assets</b>			
Fixed assets (net of accumulated depreciation)	<u>1,653</u>	<u>5,129</u>	<u>769,310</u>
Total non-current assets	<u>1,653</u>	<u>5,129</u>	<u>769,310</u>
Total Assets	<u><u>\$ 69,278</u></u>	<u><u>\$ 759,230</u></u>	<u><u>\$ 1,813,687</u></u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	\$ 6,039	\$ 125,945	\$ 53,769
Deferred revenue	-	542,560	100,535
Due to other governments	-	5,494	-
Notes payable	-	-	-
Obligation under capital lease	416	-	11,345
Total current liabilities	<u>6,455</u>	<u>673,999</u>	<u>165,649</u>
<b>Non-current liabilities</b>			
Due to other governments	-	-	-
Notes payable	-	-	-
Obligation under capital lease	-	-	7,599
Total non-current liabilities	<u>-</u>	<u>-</u>	<u>7,599</u>
Total Liabilities	<u>6,455</u>	<u>673,999</u>	<u>173,248</u>
<b>NET ASSETS</b>			
Investment in fixed assets, net of related debt	1,237	5,129	750,366
Restricted	-	-	350,820
Unrestricted	<u>61,586</u>	<u>80,102</u>	<u>539,253</u>
Total Net Assets	<u>62,823</u>	<u>85,231</u>	<u>1,640,439</u>
Total Liabilities and Net Assets	<u><u>\$ 69,278</u></u>	<u><u>\$ 759,230</u></u>	<u><u>\$ 1,813,687</u></u>

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<u>Municipal Airport Authority</u>	<u>Transit Authority</u>	<u>Solid Waste Management Authority</u>	<u>Conservation and Recreation Authority</u>	<u>Community College</u>	<u>Totals</u>
\$ 21,368	\$ 2,417,108	\$ 110,721	\$ 161,225	\$ 788,259	\$ 4,094,307
49,477	-	-	-	-	49,477
-	-	-	-	-	223,890
-	-	-	-	-	350,820
53,241	143,495	12,061	20,757	327,902	656,792
-	126,875	139,784	52,796	239,442	970,831
-	361,733	-	-	82,994	444,727
-	177,606	6,591	-	58,306	427,000
<u>124,086</u>	<u>3,226,817</u>	<u>269,157</u>	<u>234,778</u>	<u>1,496,903</u>	<u>7,217,844</u>
 15,512,459	 16,122,950	 676,117	 4,561,631	 1,200,350	 38,849,599
<u>15,512,459</u>	<u>16,122,950</u>	<u>676,117</u>	<u>4,561,631</u>	<u>1,200,350</u>	<u>38,849,599</u>
 \$ 15,636,545	 \$ 19,349,767	 \$ 945,274	 \$ 4,796,409	 \$ 2,697,253	 \$ 46,067,443
<u>\$ 15,636,545</u>	<u>\$ 19,349,767</u>	<u>\$ 945,274</u>	<u>\$ 4,796,409</u>	<u>\$ 2,697,253</u>	<u>\$ 46,067,443</u>
 \$ 69,592	 \$ 543,603	 \$ 23,377	 \$ 124,841	 \$ 604,367	 \$ 1,551,533
-	181,476	-	28,924	172,012	1,025,507
-	-	-	32,400	134,374	172,268
84,041	-	-	-	-	84,041
-	-	-	-	120,270	132,031
<u>153,633</u>	<u>725,079</u>	<u>23,377</u>	<u>186,165</u>	<u>1,031,023</u>	<u>2,965,380</u>
 -	 -	 -	 -	 134,377	 134,377
241,450	-	-	-	-	241,450
-	-	-	-	329,089	336,688
<u>241,450</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>463,466</u>	<u>712,515</u>
 395,083	 725,079	 23,377	 186,165	 1,494,489	 3,677,895
<u>395,083</u>	<u>725,079</u>	<u>23,377</u>	<u>186,165</u>	<u>1,494,489</u>	<u>3,677,895</u>
 15,186,968	 16,122,950	 676,117	 4,561,631	 750,991	 38,055,389
27,237	1,965,422	-	119	-	2,343,598
27,257	536,316	245,780	48,494	451,773	1,990,561
<u>15,241,462</u>	<u>18,624,688</u>	<u>921,897</u>	<u>4,610,244</u>	<u>1,202,764</u>	<u>42,389,548</u>
 \$ 15,636,545	 \$ 19,349,767	 \$ 945,274	 \$ 4,796,409	 \$ 2,697,253	 \$ 46,067,443
<u>\$ 15,636,545</u>	<u>\$ 19,349,767</u>	<u>\$ 945,274</u>	<u>\$ 4,796,409</u>	<u>\$ 2,697,253</u>	<u>\$ 46,067,443</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, 2004

	Redevelopment Authority	Library Association	Conservation and Recreation Authority	Total
Revenues:				
Intergovernmental revenues	\$ 1,569,754	\$ 859,828	\$ 3,068,441	\$ 5,498,023
County appropriations	-	558,154	61,000	619,154
Charges for services	-	68,159	-	68,159
Interest and investment income	3,291	22,183	462	25,936
Endowment fund contributions	-	-	-	-
Realized (loss) on investments	-	(194)	-	(194)
Unrealized (loss) on investments	-	2,915	-	2,915
Other	-	21,080	27,551	48,631
Total Revenues	<u>1,573,045</u>	<u>1,532,125</u>	<u>3,157,454</u>	<u>6,262,624</u>
Expenditures:				
Conservation and development	1,571,334	-	1,359,429	2,930,763
Culture and recreation	-	<u>1,585,756</u>	-	<u>1,585,756</u>
Total Expenditures	<u>1,571,334</u>	<u>1,585,756</u>	<u>1,359,429</u>	<u>4,516,519</u>
Change in Net Assets	1,711	(53,631)	1,798,025	1,746,105
Capital Contributions	-	-	2,631,935	2,631,935
Net Assets - Beginning of Year	<u>83,520</u>	<u>1,694,070</u>	<u>180,284</u>	<u>1,957,874</u>
Net Assets - End of Year	<u>\$ 85,231</u>	<u>\$ 1,640,439</u>	<u>\$ 4,610,244</u>	<u>\$ 6,335,914</u>

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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, 2004

	Planning Commission	Municipal Airport Authority	Transit Authority
<b>Operating Revenues:</b>			
Charges for services	\$ 203,567	\$ 349,786	\$ 797,808
Intergovernmental revenues	-	41,611	863,147
Other	1,020	-	337,533
Total Operating Revenues	<u>204,587</u>	<u>391,397</u>	<u>1,998,488</u>
<b>Operating Expenses:</b>			
Public works	242,246	604,465	6,920,531
Education and general	-	-	-
Depreciation	2,939	1,970,199	1,505,740
Total Operating Expenses	<u>245,185</u>	<u>2,574,664</u>	<u>8,426,271</u>
Operating (Loss)	<u>(40,598)</u>	<u>(2,183,267)</u>	<u>(6,427,783)</u>
<b>Non-Operating Revenues/(Expenses):</b>			
Investment income	63	59	12,724
Gain/(loss) on sale of assets	-	16,100	884
Federal appropriations	-	-	1,475,956
State appropriations	-	-	2,971,321
County appropriations	60,000	210,990	462,042
Other non-operating grants	-	-	-
Other non-operating revenue	-	-	-
Interest expense	(72)	(22,553)	-
Total Non-Operating Revenues/ (Expenses)	<u>59,991</u>	<u>204,596</u>	<u>4,922,927</u>
Change in Net Assets	19,393	(1,978,671)	(1,504,856)
Capital contributions	-	535,303	1,536,025
Net Assets Beginning of Year	<u>43,430</u>	<u>16,684,830</u>	<u>18,593,519</u>
Net Assets - End of Year	<u>\$ 62,823</u>	<u>\$ 15,241,462</u>	<u>\$ 18,624,688</u>

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Solid Waste Management Authority	Community College	Total
\$ 207	\$ 2,283,511	\$ 3,634,879
200,000	3,788,983	4,893,741
9,120	41,849	389,522
209,327	6,114,343	8,918,142
315,369	-	8,082,611
-	9,281,842	9,281,842
70,546	463,471	4,012,895
385,915	9,745,313	21,377,348
(176,588)	(3,630,970)	(12,459,206)
343	-	13,189
-	-	16,984
-	-	1,475,956
-	2,690,553	5,661,874
92,311	954,416	1,779,759
-	-	-
-	65,094	65,094
-	(8,995)	(31,620)
92,654	3,701,068	8,981,236
(83,934)	70,098	(3,477,970)
-	-	2,071,328
1,005,831	1,132,666	37,460,276
\$ 921,897	\$ 1,202,764	\$ 36,053,634

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