

# **County of Cambria**

## **Basic Financial Statements**

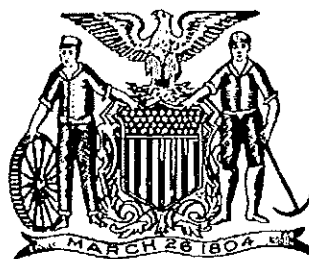
### **For Year Ending December 31, 2003**

**COMMISSIONERS:**

**P.J. STEVENS**  
PRESIDENT

**MILAN GJURICH**

**WILLIAM G. HARRIS**



**ED CERNIC, JR.**  
CONTROLLER

**ANTOINETTE SHERRY**  
DEPUTY CONTROLLER

**JOSEPH CRISI**  
2<sup>ND</sup> DEPUTY/ACCOUNTANT

**KRISTINE A. SEGGEAR, CPA**  
SENIOR ACCOUNTING MANAGER

COUNTY OF CAMBRIA  
EBENSBURG, PENNSYLVANIA

Basic Financial Statements

December 31, 2003

# COUNTY OF CAMBRIA

## TABLE OF CONTENTS

	<u>Page</u>
Table of Contents .....	1
Management's Discussion and Analysis .....	3
Independent Auditors' Report .....	18

### **BASIC FINANCIAL STATEMENTS**

#### Government-Wide Financial Statements:

- Statement of Net Assets ..... 20
- Statement of Activities..... 21

#### Fund Financial Statements:

- Balance Sheet – Governmental Funds (Including the Reconciliation of Total Governmental Fund Balance to Net Assets of Governmental Activities) ..... 23
- Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds ..... 24
- Reconciliation of the Statement of Revenues, and Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities..... 25

#### Proprietary Funds Financial Statements:

- Statement of Net Assets ..... 26
- Statement of Revenues, Expenses, and Changes in Fund Net Assets..... 27
- Statement of Cash Flows ..... 28

#### Fiduciary Fund Financial Statements:

- Statement of Fiduciary Net Assets ..... 30
- Statement of Changes in Net Assets – Fiduciary Funds ..... 34
- Statement of Changes in Fiduciary Net Assets – Retirement Trust Fund ..... 35

- Notes to Basic Financial Statements ..... 36

## REQUIRED SUPPLEMENTARY INFORMATION

- Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund..... 79
- Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual – MH/MR Fund..... 80

## SUPPLEMENTARY INFORMATION

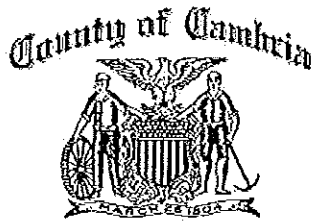
- Employee Retirement Plan – Analysis of Funding ..... 82
- Nonmajor Governmental Funds Combining & Individual Financial Statements:
  - Narratives ..... 83
  - Balance Sheets ..... 86
  - Statement of Revenues, Expenditures, and Changes in Fund Balance ..... 93
- Component Unit Combining and Individual Financial Statements:
  - Statement of Net Assets ..... 100
  - Statement of Revenues, Expenditures, and Changes in Net Assets -Governmental Type ..... 102
  - Statement of Revenues, Expenses, and Changes in Net Assets - Business Type ..... 104

COMMISSIONERS

*P.J. STEVENS*  
PRESIDENT

*MILAN GJURICH*

*WILLIAM G. HARRIS*



*ROBERT A. SHAHADE*  
SOLICITOR

*MICHAEL GELLES, IV*  
CHIEF CLERK/FINANCE DIRECTOR

## Office of County Commissioners

200 South Center Street  
Ebensburg, PA 15931  
(814) 472-5440

### MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2003

#### 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, 2003. It is best understood if read in conjunction with accompanying basic financial statements, notes to the financial statements, and supplementary information.

This is the second year of implementation of Statement No. 34 of the Governmental Accounting Standards Board, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* (GASB 34). The intent of the Management Discussion and Analysis is to focus on the current year's activities and resulting changes in the County's financial position. It also includes currently known facts that may have a significant impact on the County's financial position.

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

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

## FINANCIAL HIGHLIGHTS

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

- The General Fund reported an ending fund balance of \$2.34 million, an increase of \$6.07 million from 2002.
- The General Fund unreserved, unrestricted fund (deficit) was \$(5.40) million, a decrease of (\$0.85) million from 2002.
- Government-wide net assets (assets minus liabilities) at the end of the year were \$(7.66) million, an increase of \$0.30 million from 2002.
- The outstanding bonds payable were \$42.90 million, a decrease of \$1.21 million from 2002. The balance of outstanding notes payable was \$8.51 million, a decrease of \$0.46 million from 2002. The outstanding balance of obligations under capital leases incurred in 2003 was \$11.50 million.
- For calendar year 2003, the County's real property tax rate remained at 33 mills.

## OVERVIEW OF THE FINANCIAL REPORT

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

### Government-wide Financial Statements

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

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

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

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

## **Fund Financial Statements**

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

### **Governmental Funds:**

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

Cambria County has twenty-five individual governmental funds. Of these funds, three have been identified as major funds based on minimum criteria set forth in GASB 34. The major governmental funds reported in the financial statements for the County are the General Fund, the Capital Projects Fund, and the Mental Health/Mental Retardation Fund. The non-major funds reported in the financial statements are – Children and Youth Services, Debt Service, Hotel Tax, Liquid Fuels Tax, 9-1-1 Emergency Communications, Domestic Relations, Drug and Alcohol, Detention/Emergency Shelter, Juvenile Probation, Area Agency on Aging, Human Services, Foster Grandparents, Farmland Preservation, Driving Under the Influence, Affordable Housing, Chesapeake Bay, Dirt and Gravel Road, Prothonotary Automation, Clerk of Courts Automation, County Records Improvement, HMER, and SHARP.

### **Proprietary Funds:**

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



**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, 2003.

### Cambria County Primary Government Summary of Net Assets December 31, 2002 and 2003

		Governmental Activities		Business-type Activities		Total	
		2003	2002	2003	2002	2003	2002
<b>Assets:</b>							
	Current Assets	\$14,617,357	\$12,260,416	\$3,261,928	\$2,895,386	\$17,879,285	\$15,155,802
	Non-current Assets	<u>40,472,903</u>	<u>35,840,442</u>	<u>12,666,159</u>	<u>13,217,184</u>	<u>53,139,062</u>	<u>49,057,626</u>
<b>Total Assets</b>		<u>55,090,260</u>	<u>48,100,858</u>	<u>15,928,087</u>	<u>16,112,570</u>	<u>71,018,347</u>	<u>64,213,428</u>
<b>Liabilities:</b>							
	Current Liabilities	12,191,371	14,640,464	2,686,491	3,211,500	14,877,862	17,851,964
	Non-current Liabilities	<u>45,215,831</u>	<u>46,608,487</u>	<u>18,579,933</u>	<u>7,712,508</u>	<u>63,795,764</u>	<u>54,320,995</u>
<b>Total Liabilities</b>		<u>57,407,202</u>	<u>61,248,951</u>	<u>21,266,424</u>	<u>10,924,008</u>	<u>78,673,626</u>	<u>72,172,959</u>
<b>Net Assets:</b>							
	Investments in Capital Assets, Net Of related Debt	( 6,071,976)	( 15,260,402)	( 4,440,445)	7,333,648	( 10,512,421)	( 7,926,754)
	Unrestricted	1,061,957	1,861,197	( 897,892)	( 2,145,086)	164,065	( 283,889)
	Restricted	<u>2,693,077</u>	<u>251,112</u>	<u>---</u>	<u>---</u>	<u>2,693,077</u>	<u>251,112</u>
<b>Total Net Assets</b>		<u>(\$ 2,316,942)</u>	<u>(\$ 13,148,093)</u>	<u>(\$ 5,338,337)</u>	<u>\$ 5,188,562</u>	<u>(\$ 7,655,279)</u>	<u>(\$ 7,959,531)</u>

**Total net assets:** Net assets of the County's governmental activities were \$(2.3) million, an increase of \$10.8 million from 2002. The increase was primarily the result of receipt of the 2003 interfund transfer from Laurel Crest in December 2003. Of this amount, \$(6.1) million represents investments in capital assets, net of related debt. The unrestricted net asset balance as of the end of the year was \$1,061,957, which represents a decrease of \$0.8 million or 42.9% from 2002. The restricted net asset balance was \$2,693,077 an increase of \$2.4 million from the prior year. The increase reflects restrictions on loan proceeds equal to one year's debt service on the County's 2000 general obligation note and the 2003 capital lease. An additional \$1 million from the 2003 capital lease was restricted pending completion of the 2002 independent audit.

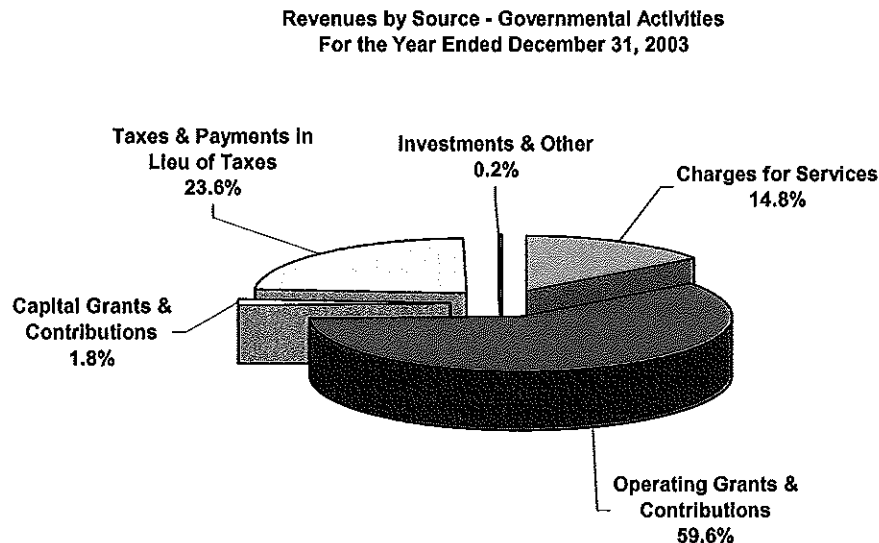
Net assets of the County's business-type activities were \$(5.3) million, a decrease of \$10.5 million from 2002. The addition of the 2003 capital lease obligation for Laurel Crest was the primary factor in the decrease. Of this amount, \$(4.4) million represents investments in capital assets, net of related debt. The unrestricted net asset balance at year-end was \$(0.9) 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, 2003:

Cambria County Primary Government Summary of Changes in Net Assets For the Years Ended December 31, 2003 and 2002						
	Governmental Activities		Business-type Activities		Total	
	2003	2002	2003	2002	2003	2002
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	\$11,924,553	\$13,240,099	\$26,894,357	\$27,219,853	\$38,818,910	\$40,459,952
Operating Grants & Contributions	48,073,616	45,305,042	---	785,395	48,073,616	46,090,437
Capital Grants & Contributions	1,418,978	523,589	---	---	1,418,978	523,589
General Revenues:						
Taxes & Payments in Lieu of Taxes	19,068,859	18,443,720	---	---	19,068,859	18,443,720
(Loss)/Gain from Sale of Assets	(286,519)	(23,742)			(286,519)	(23,742)
Unrestricted Investment Earnings	123,079	262,638	2,027	6,605	125,106	269,243
Other Revenues	<u>299,780</u>	<u>276,466</u>	<u>21,597</u>	<u>10,292</u>	<u>321,377</u>	<u>286,758</u>
<b>Total Revenues</b>	<b><u>80,622,346</u></b>	<b><u>78,027,812</u></b>	<b><u>26,917,981</u></b>	<b><u>28,022,145</u></b>	<b><u>107,540,327</u></b>	<b><u>106,049,957</u></b>
<b>Expenses:</b>						
General Government-Administrative	3,824,239	3,414,765	---	---	3,824,239	3,414,765
General Government-Judicial	8,717,021	8,285,844	---	---	8,717,021	8,285,844
Public Safety	7,369,098	6,437,930	---	---	7,369,098	6,437,930
Public Works	748,872	646,602	---	---	748,872	646,602
Human Services	48,252,005	46,602,500	---	---	48,252,005	46,602,500
Culture and Recreation	260,618	121,469	---	---	260,618	121,469
Conservation and Development	1,269,824	1,385,642	---	---	1,269,824	1,385,642
Emergency Communications Services	2,162,271	1,911,910	---	---	2,162,271	1,911,910
Employee Benefits	4,746,380	3,823,283	---	---	4,746,380	3,823,283
Debt Service	2,517,254	2,727,091	---	---	2,517,254	2,727,091
Unallocated Depreciation	1,844,297	1,816,462	---	---	1,844,297	1,816,462
Laurel Crest Manor	---	---	24,880,068	25,174,478	24,880,068	25,174,478
Laurel Crest D.M.E.	---	---	143,073	231,058	143,073	231,058
Central Park Complex	---	---	<u>1,148,778</u>	<u>1,067,917</u>	<u>1,148,778</u>	<u>1,067,917</u>
<b>Total Expenses</b>	<b><u>81,711,879</u></b>	<b><u>77,173,498</u></b>	<b><u>26,171,919</u></b>	<b><u>26,473,453</u></b>	<b><u>107,883,798</u></b>	<b><u>103,646,951</u></b>
Changes in Net Assets Before Transfers and Capital Contributions	( 1,089,533)	854,314	746,062	1,548,692	343,471	2,403,006
Transfers in/(out) Primary Government	10,939,903	(828,845)	(10,945,341)	---	(5,438)	(828,845)
Transfers in/(out) Component Units	( 2,278,038)	(2,400,824)	---	---	(2,278,038)	(2,400,824)
Capital Contributions	<u>3,261,295</u>	<u>4,249,850</u>	---	---	<u>3,261,295</u>	<u>4,249,850</u>
Change in Net Assets	10,833,627	1,874,495			11,200,197	1,874,495
Net Assets -- Beginning of Year	( 3,150,569)	(15,022,588)	4,860,942	3,639,870	(8,287,151)	(11,382,718)
Net Assets -- End of Year	<u>(\$ 2,316,942)</u>	<u>(\$13,148,093)</u>	<u>(\$5,338,337)</u>	<u>\$5,188,562</u>	<u>(\$7,652,803)</u>	<u>(\$7,959,531)</u>

**Governmental activities revenues:** Revenues for Cambria County's governmental activities were \$80.6 million for the year ended December 31, 2003, an increase of 3.3% from 2002. The following pie chart reflects the sources of those revenues by percent:



The largest source of governmental activities revenues are operating grants and contributions amounting to \$48.1 million or 59.6%. 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 \$34.4 million or 76.0%. For the most part, Human Services operating grants fund mandated services, which usually require that general revenues are used to fund a portion of the costs.

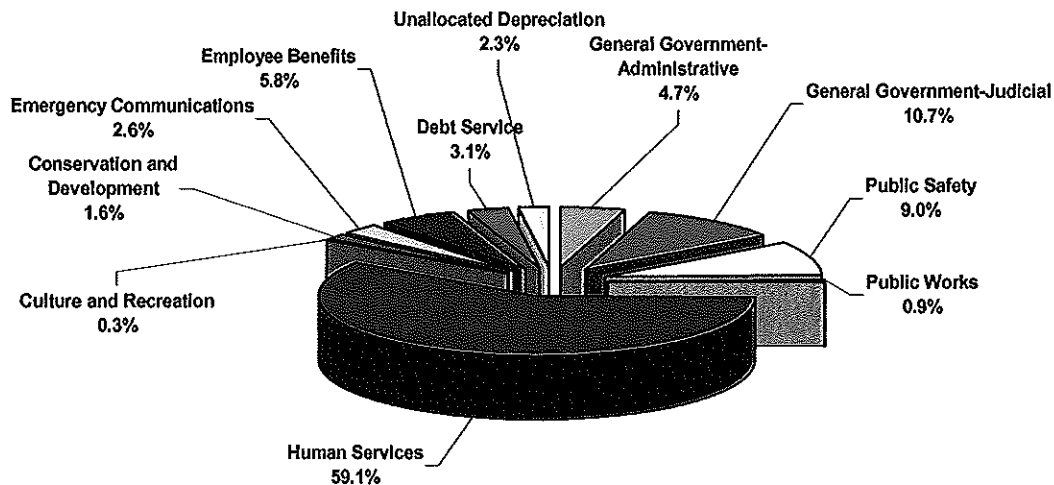
Taxes and payments in lieu of taxes provide the next largest source of governmental activities revenue at \$19.1 million or 23.6%. For 2003, the real estate tax rate was 33 mills. Of this amount, 22 mills was designated for general purposes, 8.5 mills for debt service, 1.5 mills for the Cambria County Area Community College, and 1 mill for the Cambria County Library System. Real estate taxes generated \$18.6 million in governmental activities revenue in 2003. 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 2003, the hotel tax receipts amounted to \$286,766. Cambria County also receives payments in lieu of taxes from various sources. The County received \$167,015 in payments in lieu of taxes in 2003.

Charges for services amounted to 14.8% or \$11.9 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 at the detention/shelter facility.

Investment earnings, loss from the sale of assets, and other revenues amounted to \$136,340 or 0.2% of governmental activities revenue.

**Governmental activities expenses:** Expenses for Cambria County's governmental activities were \$81.7 million for the year ended December 31, 2003. The chart below reflects the uses of those expenses:

Expenses by Function - Governmental Activities  
For the Year Ended December 31, 2003



As indicated by the chart, the County's human services programs comprised the largest portion of governmental activities expenses. They amounted to 59.1% or \$48.3 million for 2003.

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 \$8.7 million or 10.7% in 2003.

Public Safety includes Emergency Management, HMER, SHARP, Prison, Adult Probation, Juvenile Probation, and Detention/Shelter. Expenses in 2003 were 9.0% or \$7.4 million.

Employee Benefits were \$4.7 million or 5.8% 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 \$3.8 million or 4.7%.

Debt Service (Interest Expense) on the County's General Obligation Bonds, Lease Rental Indebtedness, and Notes were \$2.5 million or 3.1% of governmental activities expenses.

The remaining expenses of \$4.1 million or 5.1% 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, and Mental Health/Mental Retardation, 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, 2003, the General Fund reported a fund balance of \$2.3 million which was a \$6.1 million or 163% increase from the prior year's fund balance of \$(3.7) million. This increase is the net result of the interfund transfers in received by the general fund. For 2003, revenues and other financing sources exceeded expenditures and other financing uses by \$6.1 million.

The Capital Projects Fund is utilized to track expenses related to certain capital projects within the County. The primary source of funds is loan proceeds and grants from federal or state agencies. The fund balance at the end of 2003 was \$1.9 million. This was a decrease of \$1.0 million or 35% from December 31, 2002. During 2003, the County contributed \$1,000,000 in matching funds to the Johnstown Renaissance Complex Project. Other capital projects funded with loan proceeds or grants were the North Central Recreation Center construction project, Airport Authority improvements, and the GIS system.

The Mental Health/Mental Retardation (MH/MR) special revenue fund maintains no fund balance. Revenues in the MH/MR fund increased to \$21.9 million from \$21.7 million in 2002, an increase of \$269,561 or 1.2%.

**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, 2003, total net assets of the Laurel Crest Manor fund was \$(5.3) million, a decrease of \$10.7 million. The unrestricted net assets of this fund was \$(0.9) million and the investment in capital assets net of related debt was \$(4.4) million. The Laurel Crest D.M.E. fund total net assets amounted to \$274 on December 31, 2003. This reflects a decrease in net assets in the amount of \$31,542 from the beginning of the year.

The net assets of the Central Park Complex fund were \$(38,186) on December 31, 2003. Of this amount, \$17,662 was unrestricted and \$(55,848) was invested in capital assets net of related debt. The change in net assets for the year was \$224,739 or 85.5%.

## **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 \$31.7 million in 2003. The actual revenue received during 2003 was \$32.2 million. The following are negative variances in final budgeted revenue to actual revenue during 2003: actual tax collections were \$0.3 million or 1.8% less than budgeted; actual interest and investment income was \$159,830 or 72.0% less than budgeted; actual charges for services were \$1.2 million or 14.4% less than budgeted. Other revenues had a positive variance of \$299,991 or 60.2% more than budgeted. Intergovernmental revenues also had a positive final budget variance of \$1.9 million or 50.5% for the year.

The original and final budgeted general fund expenditure amounts were \$30.3 million in 2003. The actual expenditures were \$29.7 million for 2003. Positive variances were in general government—administrative for \$595,571 or 13.0%, general government-judicial for \$41,085 or 0.6%, public works for \$23,096 or 2.3%, conservation and development for \$347,681 or 26.8%, employee benefits for \$1,689,992 or 28.6%, and debt service for \$74,933 or 21.6%. Negative variances were in public safety for \$956,252 or 14.9%, human services for \$1,290,198 or 40.0%, and culture and recreation for \$5,934 or 0.6%.

The original and final budgeted operating transfers in amounts were \$5.7 million in 2003. The actual operating transfers in were \$11.45 million or 100.8% over budget. The original and final budgeted operating transfers out were \$7.2 million in 2003. The actual operating transfers out were \$7.8 million or 9.5% over budget.

Overall, the general fund had an excess of revenues and other financing sources over expenditures and other financing uses of \$6.1 million for the year ending December 31, 2003.



## Capital Assets and Debt Administration

### Capital Assets:

The County's investment in capital assets at December 31, 2003, net of accumulated depreciation, amounted to \$53.0 million. This was an increase of \$3.9 million or 8.0% from the previous year. The following table summarizes the County's investment in capital assets:

Summary of Capital Assets

	Governmental Activities	Business-type Activities	Balance at December 31, 2003
Construction-in-progress	\$ 2,251,342	\$ ---	\$ 2,251,342
Land	---	383,046	383,046
Site/land improvements	1,440,165	443,477	1,883,642
Building and permanent fixtures	40,894,292	26,141,731	67,036,023
Office furniture and equipment	1,723,564	---	1,723,564
General equipment	1,448,673	---	1,448,673
Machinery and equipment	---	4,405,524	4,405,524
Radio equipment	2,469,630	---	2,469,630
Computer hardware and software	2,409,828	---	2,409,828
Vehicles	2,559,409	---	2,559,409
Less accumulated depreciation	( 14,724,000)	( 18,847,379)	( 33,571,379)
Total	\$ 40,472,903	\$ 12,526,399	\$ 52,999,302

Highlights of the amounts expended during 2003 for major capital assets include:

- As part of the Johnstown Renaissance Complex Project, renovations are being made to the County owned War Memorial Arena. Though most of the project costs were funded by state grants, the County contributed \$1,000,000 in 2003 toward the project.
- The County received federal grant funding to assist in the construction of the North Central Cambria Recreation Center. During 2003, \$1,645,646 was spent on this project. Of this amount, the County funded \$366,571 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, 2003, Cambria County had outstanding debt of \$51.4 million. During 2003, the County's general obligation bonds and notes decreased by \$1.7 million or 3.1%.

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, 2003 was \$11.5 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 2004 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 has requested that Standard & Poor's review the bond rating due to changes implemented in the financial management of the County.
- As of July 2004, the County's unemployment rate was 6.9%. The Commonwealth's rate was 5.3% and the national rate was 5.5% for July 2004.
- The County's assessed value on real estate increased \$5.8 million or 1.0% from 2002 to 2003.

For fiscal year 2004, the County's real property tax rate was set at 42.5 mills, an increase of 28.8%. The tax rate for general purpose was set at 30 mills, debt service was set at 10 mills, and the community college and the library millage remained at 1.5 and 1, respectively. In addition, to the tax increase, the County reduced personnel and other expenditures for 2004.

## **Requests for Information**

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



215 Main Street  
Johnstown, PA 15901  
(814) 536-7864  
FAX (814) 535-5950



201 Atlee Street  
Johnstown, PA 15905  
(814) 288-1544  
FAX (814) 288-4999

## INDEPENDENT AUDITORS' REPORT

September 14, 2004

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, 2003, 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 Barnes, Saly & Company, LLP and Wessel & Company, 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, 2003, 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 September 14, 2004, 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 and budgetary comparison information on pages 3 through 17 and 79 through 80, 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

  
BARNES SALY & COMPANY, LLP  
Certified Public Accountants

COUNTY OF CAMBRIA  
GOVERNMENT-WIDE STATEMENT OF NET ASSETS  
DECEMBER 31, 2003

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS:</b>				
<b>Current Assets:</b>				
Cash and cash equivalents (Note 2)	\$ 3,974,642	\$ 177,470	\$ 4,152,112	\$ 5,168,706
Investments (Note 2)	-	-	-	181,483
Restricted cash (Note 3)	2,954,077	257,360	3,211,437	20,294
Restricted investments	-	-	-	348,099
Receivables (net of allowance for uncollectibles)				
Accounts	1,823,168	2,880,762	4,703,930	440,395
Taxes (Note 4)	2,045,076	-	2,045,076	-
Due from other governments (Note 5)	3,549,666	-	3,549,666	1,124,850
Prepaid expenses and other assets	111,256	105,808	217,064	332,643
Internal balances (Note 11)	159,472	(159,472)	-	-
Inventory	-	-	-	407,040
<b>Total Current Assets</b>	<b>14,617,357</b>	<b>3,261,928</b>	<b>17,879,285</b>	<b>8,023,510</b>
<b>Non-current assets:</b>				
Deferred loan costs	-	139,760	139,760	-
Fixed assets net of accumulated depreciation (Note 6)	40,472,903	12,526,399	52,999,302	34,890,592
<b>Total Non-current assets</b>	<b>40,472,903</b>	<b>12,666,159</b>	<b>53,139,062</b>	<b>34,890,592</b>
<b>Total Assets</b>	<b>\$ 55,090,260</b>	<b>\$ 15,928,087</b>	<b>\$ 71,018,347</b>	<b>\$ 42,914,102</b>
<b>LIABILITIES:</b>				
<b>Current Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 6,189,568	\$ 1,184,327	\$ 7,373,895	\$ 1,633,785
Deferred revenues (Note 1f)	2,145,251	-	2,145,251	945,908
Due to other governments (Note 5)	13,203	-	13,203	221,139
Custodial payable	138,685	257,360	396,045	-
Accrued vacation (Note 11 and 13)	1,366,885	823,094	2,189,979	-
Notes payable (Note 11)	474,475	-	474,475	73,290
Bonds payable (Note 11)	1,110,220	164,780	1,275,000	-
Obligations under capital leases (Note 12)	-	256,930	256,930	77,777
Accrued interest	734,500	-	734,500	-
Other liabilities	18,584	-	18,584	-
<b>Total current liabilities</b>	<b>12,191,371</b>	<b>2,686,491</b>	<b>14,877,862</b>	<b>2,951,899</b>
<b>Non-current liabilities:</b>				
Due to other governments (Note 5)	-	-	-	200,000
Notes payable (Note 11)	8,039,169	-	8,039,169	217,883
Bonds payable (Note 11)	36,186,515	5,441,824	41,628,339	-
Estimated workers' compensation claim (Note 11)	990,147	1,895,039	2,885,186	-
Obligations under capital leases (Note 12)	-	11,243,070	11,243,070	126,170
<b>Total non-current liabilities</b>	<b>45,215,831</b>	<b>18,579,933</b>	<b>63,795,764</b>	<b>544,053</b>
<b>Total Liabilities</b>	<b>57,407,202</b>	<b>21,266,424</b>	<b>78,673,626</b>	<b>3,495,952</b>
<b>NET ASSETS:</b>				
Investments in capital assets, net of related debt	(6,071,976)	(4,440,445)	(10,512,421)	34,395,472
Unrestricted	1,061,957	(897,892)	164,065	1,589,989
Restricted - (Note 1n)	2,693,077	-	2,693,077	3,432,689
<b>Total Net Assets</b>	<b>(2,316,942)</b>	<b>(5,338,337)</b>	<b>(7,655,279)</b>	<b>39,418,150</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 55,090,260</b>	<b>\$ 15,928,087</b>	<b>\$ 71,018,347</b>	<b>\$ 42,914,102</b>

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

ITY C /BRI/  
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2003

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:</b>							
<b>Governmental Activities:</b>							
General government - administrative	\$ 3,824,239	\$ 814,166	\$ -	\$ -	\$ (3,010,073)	\$ -	\$ (3,010,073)
General government - judicial	8,717,021	2,884,842	2,149,588	-	(3,682,591)	-	(3,682,591)
Public safety	7,369,098	2,901,324	923,131	-	(3,544,643)	-	(3,544,643)
Public works	748,872	-	680,270	-	(68,602)	-	(68,602)
Human services	48,252,005	3,017,135	43,524,897	-	(1,709,973)	-	(1,709,973)
Culture and recreation	260,618	15,723	-	1,418,978	1,174,083	-	1,174,083
Conservation and development	1,269,824	697,518	633,953	-	61,647	-	61,647
Emergency communication services	2,162,271	1,593,845	161,777	-	(406,649)	-	(406,649)
Employee benefits	4,746,380	-	-	-	(4,746,380)	-	(4,746,380)
Debt service	2,517,254	-	-	-	(2,517,254)	-	(2,517,254)
Unallocated depreciation	1,844,297	-	-	-	(1,844,297)	-	(1,844,297)
<b>Total Governmental Activities</b>	<b>81,711,879</b>	<b>11,924,553</b>	<b>48,073,616</b>	<b>1,418,978</b>	<b>(20,294,732)</b>	<b>-</b>	<b>(20,294,732)</b>
<b>Business-type Activities:</b>							
Laurel Crest Manor	24,880,068	25,846,407	-	-	-	966,339	966,339
Laurel Crest D.M.E.	143,073	143,347	-	-	-	274	274
Central Park Complex	1,148,778	904,603	-	-	-	(244,175)	(244,175)
<b>Total Business-type Activities</b>	<b>26,171,919</b>	<b>26,894,357</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>722,438</b>	<b>722,438</b>
<b>Total Primary Government</b>	<b>\$ 107,883,798</b>	<b>\$ 38,818,910</b>	<b>\$ 48,073,616</b>	<b>\$ 1,418,978</b>	<b>\$ (20,294,732)</b>	<b>\$ 722,438</b>	<b>\$ (19,572,294)</b>
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					\$ 12,597,970	\$ -	\$ 12,597,970
Property Taxes, Levied for Debt Retirement					4,622,266	-	4,622,266
Property Taxes, Levied for Community College					836,688	-	836,688
Property Taxes, Levied for County Library					558,154	-	558,154
Payments in Lieu of Taxes					167,015	-	167,015
County Hotel Lodging Taxes					286,766	-	286,766
(Loss)/gain from Sale of Assets					(286,519)	-	(286,519)
Transfers in/(out) primary government					10,939,903	(10,945,341)	(5,438)
Transfers in/(out) component units					(2,278,038)	-	(2,278,038)
Unrestricted Investment Earnings					123,079	2,027	125,106
Other Revenues					299,780	21,597	321,377
<b>Total General Revenues and Transfers</b>					<b>27,867,064</b>	<b>(10,921,717)</b>	<b>16,945,347</b>
Change in Net Assets					7,572,332	(10,199,279)	(2,626,947)
Capital Contributions					3,261,295	-	3,261,295
Net Assets - Beginning of Year, restated					(13,150,569)	4,860,942	(8,289,627)
Net Assets - End of Year					<u>\$ (2,316,942)</u>	<u>\$ (5,338,337)</u>	<u>\$ (7,655,279)</u>

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contribution	Capital Grants and Contributions	Component Units
<b>Component Units:</b>					
<b>Governmental Activities:</b>					
Redevelopment Authority	\$ 3,581,142	\$ -	\$ 3,579,518	\$ -	\$ (1,624)
Conservation and Recreation Authority	300,283	-	289,857	-	(10,426)
Library Association	1,843,893	39,312	1,260,129	-	(544,452)
<b>Total Component Unit Governmental Activities</b>	<b>5,725,318</b>	<b>39,312</b>	<b>5,129,504</b>	<b>-</b>	<b>(556,502)</b>
<b>Business-type Activities:</b>					
Planning Commission	233,424	156,186	-	-	(77,238)
Municipal Airport Authority	2,554,359	327,743	185,000	-	(2,041,616)
Transit Authority	8,183,277	806,850	5,056,205	-	(2,320,222)
Solid Waste Management Authority	354,686	-	250,000	-	(104,686)
Area Community College	7,741,455	1,973,098	5,231,468	-	(536,889)
<b>Total Component Unit Business-type Activities</b>	<b>19,067,201</b>	<b>3,263,877</b>	<b>10,722,673</b>	<b>-</b>	<b>(5,080,651)</b>
<b>Total Component Units</b>	<b>\$ 24,792,519</b>	<b>\$ 3,303,189</b>	<b>\$ 15,852,177</b>	<b>\$ -</b>	<b>\$ (5,637,153)</b>
<b>General Revenues:</b>					
Gain from Sale of Assets					28,275
Unrestricted Investment Earnings					45,086
Other Revenues					402,215
Transfers from Primary Government					2,278,038
<b>Total General Revenues and Transfers</b>					<b>2,753,614</b>
Change in Net Assets					(2,883,539)
Capital Contributions					3,327,791
Net Assets - Beginning of Year					38,961,161
Prior period adjustment					12,737
Net Assets - End of Year					<b>39,418,150</b>

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, 2003

	Major Funds			Other Nonmajor Governmental Funds	Totals
	General	Capital Projects	MH/MR		
<b>ASSETS:</b>					
Cash and cash equivalents	\$ 402,488	\$ 576,254	\$ 651,564	\$ 2,344,336	\$ 3,974,642
Restricted cash	2,230,365	723,712	-	-	2,954,077
Receivables (net of allowance for uncollectibles)					
Accounts	778,721	-	182,571	861,876	1,823,168
Taxes	2,045,076	-	-	-	2,045,076
Due from other governments	5,655	132,405	2,176	3,400,335	3,540,571
Prepaid expenses and other assets	86,578	-	-	24,678	111,256
Due from other funds (Note 1I)	4,188,076	865,886	2,527,405	1,008,500	8,589,867
<b>Total Assets</b>	<u>\$9,736,959</u>	<u>\$2,298,257</u>	<u>\$3,363,716</u>	<u>\$ 7,639,725</u>	<u>\$23,038,657</u>
<b>LIABILITIES:</b>					
Accounts payable and accrued liabilities	\$2,064,657	\$ 324,438	\$1,652,159	\$ 2,148,314	\$ 6,189,568
Deferred revenues	1,682,708	30,606	1,710,117	404,528	3,827,959
Payable from restricted assets	138,685	-	-	-	138,685
Other liabilities	18,584	-	-	-	18,584
Due to other governments	-	-	-	13,203	13,203
Due to other funds (Note 1I)	3,489,657	67,763	1,440	4,862,440	8,421,300
<b>Total Liabilities</b>	<u>7,394,291</u>	<u>422,807</u>	<u>3,363,716</u>	<u>7,428,485</u>	<u>18,609,299</u>
<b>FUND BALANCES</b>					
Unreserved fund balance/(deficit)	(5,403,010)	1,151,738	-	211,240	(4,040,032)
Restricted for:					
Loan Covenants	1,796,795	723,712			2,520,507
Cambria County Area Community College (Note 10)	154,416	-	-	-	154,416
Central Park Complex (Note 10)	38,186	-	-	-	38,186
911 Emergency Communications (Note 10)	437,702	-	-	-	437,702
Laurel Crest (Note 10)	5,300,425	-	-	-	5,300,425
Library (Note 10)	18,154	-	-	-	18,154
<b>Total Net Assets</b>	<u>2,342,668</u>	<u>1,875,450</u>	<u>-</u>	<u>211,240</u>	<u>4,429,358</u>
<b>Total Liabilities and Net Assets</b>	<u>\$9,736,959</u>	<u>\$2,298,257</u>	<u>\$3,363,716</u>	<u>\$ 7,639,725</u>	<u>\$23,038,657</u>
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					(48,901,911)
The difference in net assets between full accrual accounting and modified accrual accounting due to differing revenue recognition criteria between the two methods					1,682,708
Capital assets in governmental activities are not financial resources and, therefore, are not reported in the funds					40,472,903
Net assets of governmental activities					<u>\$ (2,316,942)</u>

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

COUNTY OF CAMBRIA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2003

	Major Funds			Other Nonmajor Governmental Funds	Totals
	General	Capital Projects	MH/MR		
<b>Revenues</b>					
Real estate taxes	\$ 18,584,862	\$ -	\$ -	\$ -	\$ 18,584,862
Charges for services	7,124,399	-	1,074,813	3,586,802	11,786,014
Interest and investment income	62,170	12,192	20,378	28,339	123,079
Intergovernmental revenues	5,624,643	1,418,978	20,796,915	19,900,491	47,741,027
Other income	798,684	-	33,718	2,110,472	2,942,874
<b>Total Revenues</b>	<u>32,194,758</u>	<u>1,431,170</u>	<u>21,925,824</u>	<u>25,626,104</u>	<u>81,177,856</u>
<b>Expenditures</b>					
General government - administrative	3,977,289	-	-	-	3,977,289
General government - judicial	6,505,856	-	-	2,309,262	8,815,118
Public safety	7,381,298	-	-	-	7,381,298
Public works	980,349	-	-	603,363	1,583,712
Human services	4,518,198	-	22,275,186	22,839,830	49,633,214
Culture and recreation	929,231	-	-	-	929,231
Conservation and development	951,156	-	-	452,902	1,404,058
Employee benefits	4,217,808	-	-	-	4,217,808
Emergency communication services	-	-	-	2,184,194	2,184,194
Debt service	272,667	-	-	3,778,973	4,051,640
Capital projects	-	2,808,617	-	-	2,808,617
<b>Total Expenditures</b>	<u>29,733,852</u>	<u>2,808,617</u>	<u>22,275,186</u>	<u>32,168,524</u>	<u>86,986,179</u>
<b>Excess/(deficiency) of revenues over/(under) expenditures</b>	2,460,906	(1,377,447)	(349,362)	(6,542,420)	(5,808,323)
<b>Other Financing Sources/(Uses)</b>					
Operating transfers in	11,447,795	366,571	349,362	6,784,606	18,948,334
Operating transfers (out)	(7,834,842)	-	-	(173,589)	(8,008,431)
<b>Total Other Financing Sources/(Uses)</b>	<u>3,612,953</u>	<u>366,571</u>	<u>349,362</u>	<u>6,611,017</u>	<u>10,939,903</u>
(Deficiency)/Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	6,073,859	(1,010,876)	-	68,597	5,131,580
Fund Balance/(Deficit) - Beginning of Year - as restated	(3,731,191)	2,886,326	-	142,643	(702,222)
Fund Balance/(Deficit) - End of Year	<u>\$ 2,342,668</u>	<u>\$ 1,875,450</u>	<u>\$ -</u>	<u>\$ 211,240</u>	<u>\$ 4,429,358</u>

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, 2003

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

Net change in fund balance - total governmental funds (page 24)	\$ 5,131,580
 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	 (662,031)
 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	  1,514,394
 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	 19,992
 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	 197,231
 The net effect of various transactions involving capital assets, (i.e. purchases, disposals, etc.) is to increase net assets	 <u>1,371,166</u>
 Change in net assets of governmental activities (page 21)	 <u><u>\$ 7,572,332</u></u>

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

COUNTY OF CAMBRIA  
 PROPRIETARY FUNDS  
 STATEMENT OF NET ASSETS  
 DECEMBER 31, 2003

	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	\$ 172,322	\$ -	\$ 5,148	\$ 177,470
Restricted cash	257,360	-	-	257,360
Accounts receivable	2,783,772	78,412	18,578	2,880,762
Prepaid expenses and other assets	12,300	-	93,508	105,808
Due from other funds	-	-	45,169	45,169
<b>Total Current Assets</b>	<b>3,225,754</b>	<b>78,412</b>	<b>162,403</b>	<b>3,466,569</b>
<b>Non-current Assets</b>				
Deferred loan costs	139,760	-	-	139,760
Fixed assets (net of accumulated depreciation and amortization)	6,975,643	-	5,550,756	12,526,399
<b>Total Assets</b>	<b>\$ 10,341,157</b>	<b>\$ 78,412</b>	<b>\$ 5,713,159</b>	<b>\$ 16,132,728</b>
<u>LIABILITIES AND NET ASSETS</u>				
<b>Current Liabilities</b>				
Accounts payable and accrued liabilities	\$ 1,028,977	\$ 20,685	\$ 134,665	\$ 1,184,327
Accrued vacation	813,018	-	10,076	823,094
Custodial payable	257,360	-	-	257,360
Bonds payable	-	-	164,780	164,780
Obligation under capital lease	256,930	-	-	256,930
Due to other funds	147,188	57,453	-	204,641
<b>Total Current Liabilities</b>	<b>2,503,473</b>	<b>78,138</b>	<b>309,521</b>	<b>2,891,132</b>
<b>Non-current Liabilities</b>				
Obligation under capital lease	11,243,070	-	-	11,243,070
Bonds payable	-	-	5,441,824	5,441,824
Estimated workers' compensation claims	1,895,039	-	-	1,895,039
<b>Total Liabilities</b>	<b>15,641,582</b>	<b>78,138</b>	<b>5,751,345</b>	<b>21,471,065</b>
<b>Net Assets:</b>				
Investment in capital assets net of related debt	(4,384,597)	-	(55,848)	(4,440,445)
Unrestricted	(915,828)	274	17,662	(897,892)
<b>Total Net Assets</b>	<b>(5,300,425)</b>	<b>274</b>	<b>(38,186)</b>	<b>(5,338,337)</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 10,341,157</b>	<b>\$ 78,412</b>	<b>\$ 5,713,159</b>	<b>\$ 16,132,728</b>

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

COUNTY OF CAMBRIA  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2003

	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	\$ 25,846,407	\$ 143,347	\$ -	\$ 25,989,754
Rental income	-	-	904,603	904,603
Total Operating Revenues	<u>25,846,407</u>	<u>143,347</u>	<u>904,603</u>	<u>26,894,357</u>
Operating Expenses:				
Patient care	24,271,921	143,073	-	24,414,994
Depreciation and amortization	589,946	-	205,923	795,869
Loss on sale of fixed asset	6,413	-	-	6,413
Maintenance and operating	-	-	652,681	652,681
Total Operating Expenses	<u>24,868,280</u>	<u>143,073</u>	<u>858,604</u>	<u>25,869,957</u>
Operating Income/(Loss)	978,127	274	45,999	1,024,400
Non-Operating Revenues/(Expenses):				
Investment income	1,425	-	602	2,027
Other income	-	-	21,597	21,597
Interest expense	(11,788)	-	(290,174)	(301,962)
Total Non-Operating Revenues/(Expenses)	<u>(10,363)</u>	<u>-</u>	<u>(267,975)</u>	<u>(278,338)</u>
Income/(Loss) Before Transfers	967,764	274	(221,976)	746,062
Other Financing Sources/(Uses):				
Operating transfers in	-	-	446,715	446,715
Operating transfers (out)	(11,360,240)	(31,816)	-	(11,392,056)
Total Other Financing Sources/(Uses)	<u>(11,360,240)</u>	<u>(31,816)</u>	<u>446,715</u>	<u>(10,945,341)</u>
Change in Net Assets	<u>(10,392,476)</u>	<u>(31,542)</u>	<u>224,739</u>	<u>(10,199,279)</u>
Net Assets - Beginning of Year, as originally stated	5,419,671	31,816	(262,925)	5,188,562
Prior period adjustment (Note 18)	(327,620)	-	-	(327,620)
Net Assets - Beginning of Year, as restated	<u>5,092,051</u>	<u>31,816</u>	<u>(262,925)</u>	<u>4,860,942</u>
Net Assets - End of Year	<u>\$ (5,300,425)</u>	<u>\$ 274</u>	<u>\$ (38,186)</u>	<u>\$ (5,338,337)</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, 2003

	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	\$ 25,675,867	\$ 134,125	\$ -	\$ 25,809,992
Cash received from customers	-	-	913,784	913,784
Net increase in interfund payables	-	13,319	(250,840)	(237,521)
Cash payments to employees for services	-	-	(197,386)	(197,386)
Cash payments to suppliers for goods and services	-	-	(460,140)	(460,140)
Cash payments for other operating expenses	(25,435,939)	(115,628)	-	(25,551,567)
Net Cash Provided By Operating Activities	<u>239,928</u>	<u>31,816</u>	<u>5,418</u>	<u>277,162</u>
<b>Cash Flows From Non-Capital Financing Activities</b>				
Transfers in from other funds	-	-	446,715	446,715
Proceeds provided by long term debt	11,500,000	-	-	11,500,000
Long term debt issuance costs	(139,760)	-	-	(139,760)
Transfers out to other funds	(11,360,240)	(31,816)	-	(11,392,056)
Net Cash Provided By/(Used for) Non-Capital Financing Activities	<u>-</u>	<u>(31,816)</u>	<u>446,715</u>	<u>414,899</u>
<b>Cash Flows From Capital and Related Financing Activities</b>				
Purchase of property and equipment	(106,786)	-	-	(106,786)
Payment on debt	-	-	(156,541)	(156,541)
Interest paid	(11,788)	-	(293,125)	(304,913)
Repayment to county	(120,731)	-	-	(120,731)
Net Cash (Used for) Capital and Related Financing Activities	<u>(239,305)</u>	<u>-</u>	<u>(449,666)</u>	<u>(688,971)</u>
<b>Cash Flows From Investing Activities</b>				
Interest on cash equivalents	<u>1,425</u>	<u>-</u>	<u>601</u>	<u>2,026</u>
Net Cash Provided By Investing Activities	<u>1,425</u>	<u>-</u>	<u>601</u>	<u>2,026</u>
 Net (Decrease)/Increase in Cash and Cash Equivalents	 2,048	 -	 3,068	 5,116
Cash and Cash Equivalents Beginning of Year	<u>170,274</u>	<u>-</u>	<u>2,080</u>	<u>172,354</u>
Cash and Cash Equivalents at End of Year	<u>\$ 172,322</u>	<u>\$ -</u>	<u>\$ 5,148</u>	<u>\$ 177,470</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, 2003

	Business-type Activities - Enterprise Funds			
	Laurel Crest Manor Fund	Laurel Crest D.M.E. Fund	Central Park Complex	Total
<b>Reconciliation of operating income/(loss) to net cash provided by operating activities:</b>				
Operating Income/(Loss)	\$ 978,127	\$ 274	\$ 45,999	\$ 1,024,400
Adjustments to reconcile operating income/(loss) to net cash provided by operating activities:				
Depreciation	589,946	-	205,922	795,868
Bad debt (recovery)/expense	38,015	28,000	-	66,015
Loss on disposal of fixed assets	6,413	-	-	6,413
Other revenue	-	-	21,597	21,597
Changes in assets and liabilities:				
(Increase) in accounts receivable	(208,555)	(9,222)	(12,416)	(230,193)
Decrease in restricted assets	152,161	-	-	152,161
(Increase) in due from other funds	-	-	(37,578)	(37,578)
Decrease in prepaid expense	29,260	-	-	29,260
(Decrease) in accounts payable	(585,158)	(555)	(8,006)	(593,719)
(Decrease) in payable from restricted assets	(152,161)	-	-	(152,161)
(Decrease)/Increase in due to other funds	(352,748)	13,319	(213,262)	(552,691)
(Decrease)/Increase in accrued vacation	(44,168)	-	3,162	(41,006)
(Decrease) in estimated workers' compensation claims	(211,204)	-	-	(211,204)
Total Adjustments	<u>(738,199)</u>	<u>31,542</u>	<u>(40,581)</u>	<u>(747,238)</u>
Net Cash Provided by Operating Activities	<u>\$ 239,928</u>	<u>\$ 31,816</u>	<u>\$ 5,418</u>	<u>\$ 277,162</u>

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

COUNTY OF CAMBRIA  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
DECEMBER 31, 2003

	Non-AFDC IRS Fund	Prison Resident Fund	Prison Canteen Fund	Recorder of Deeds
<u>ASSETS</u>				
Cash and cash equivalents	\$ 12,779	\$ 23,207	\$ 34,050	\$ 312,928
Investments	-	-	13,984	
Restricted assets:				
Cash	-	-	-	-
Investments	-	-	-	-
Accounts receivable	-	-	-	556
Total Assets	<u>\$ 12,779</u>	<u>\$ 23,207</u>	<u>\$ 48,034</u>	<u>\$ 313,484</u>
<u>LIABILITIES AND NET ASSETS</u>				
Liabilities				
Due to other governments	\$ -	\$ -	\$ -	\$ 300,358
Other liabilities	-	11,714	-	13,126
Due to other funds	-	-	-	-
Judgments payable	12,779	-	-	-
Total Liabilities	<u>12,779</u>	<u>11,714</u>	<u>-</u>	<u>313,484</u>
Net Assets				
Held in trust for the prison canteen	-	-	48,034	-
Held in trust for the prison residents	-	11,493	-	-
Held in trust for workers' compensation	-	-	-	-
Held in trust for pension benefits	-	-	-	-
Total Net Assets	<u>-</u>	<u>11,493</u>	<u>48,034</u>	<u>-</u>
Total Liabilities and Net Assets	<u>\$ 12,779</u>	<u>\$ 23,207</u>	<u>\$ 48,034</u>	<u>\$ 313,484</u>

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



COUNTY OF CAMBRIA  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
DECEMBER 31, 2003

	<u>Registrar of Wills</u>	<u>Sheriff's Office</u>	<u>Office of the Prothonotary</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 30,522	\$ 176,779	\$ 130,303
Investments	-	-	
Restricted assets:			
Cash	-	-	-
Investments	-	-	-
Accounts receivable	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 30,522</u>	<u>\$ 176,779</u>	<u>\$ 130,303</u>
<u>LIABILITIES AND NET ASSETS</u>			
Liabilities			
Due to other governments	\$ 29,921	\$ 40,294	\$ 15,786
Other liabilities	601	-	1,000
Due to other funds	-	-	-
Judgments payable	-	136,485	113,517
	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities	<u>30,522</u>	<u>176,779</u>	<u>130,303</u>
Net Assets			
Held in trust for the prison canteen	-	-	-
Held in trust for the prison residents	-	-	-
Held in trust for workers' compensation	-	-	-
Held in trust for pension benefits	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
Total Net Assets	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Net Assets	<u>\$ 30,522</u>	<u>\$ 176,779</u>	<u>\$ 130,303</u>

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

COUNTY OF CAMBRIA  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
DECEMBER 31, 2003

	<u>Clerk of Courts</u>	<u>Domestic Relations Support</u>	<u>Intermediate Punishment Unit</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 590,290	\$ -	\$ 14,586
Investments	-	-	-
Restricted assets:			
Cash	-	-	-
Investments	-	-	-
Accounts receivable	-	32,395	-
	<u>590,290</u>	<u>32,395</u>	<u>14,586</u>
Total Assets	<u>\$ 590,290</u>	<u>\$ 32,395</u>	<u>\$ 14,586</u>
<u>LIABILITIES AND NET ASSETS</u>			
Liabilities			
Due to other governments	\$ 337,641	\$ -	\$ -
Other liabilities	-	32,395	14,586
Due to other funds	-	-	-
Judgments payable	252,649	-	-
	<u>590,290</u>	<u>32,395</u>	<u>14,586</u>
Total Liabilities	<u>590,290</u>	<u>32,395</u>	<u>14,586</u>
Net Assets			
Held in trust for the prison canteen	-	-	-
Held in trust for the prison residents	-	-	-
Held in trust for workers' compensation	-	-	-
Held in trust for pension benefits	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Net Assets	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Net Assets	<u>\$ 590,290</u>	<u>\$ 32,395</u>	<u>\$ 14,586</u>

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

COUNTY OF CAMBRIA  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
DECEMBER 31, 2003

	Workers' Compensation Trust Fund	Landfill Trust Fund	Retirement Trust Fund	Total Current Year
	<u>ASSETS</u>			
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 1,325,444
Investments	-	-	132,531,024	132,545,008
Restricted assets:	-			
Cash	6,748	-	3,618,198	3,624,946
Investments	1,506,428	-	-	1,506,428
Accounts receivable	20,097	-	585,780	638,828
	<u>\$ 1,533,273</u>	<u>\$ -</u>	<u>\$ 136,735,002</u>	<u>\$ 139,640,654</u>
	<u>LIABILITIES AND NET ASSETS</u>			
Liabilities				
Due to other governments	\$ -	\$ -	\$ -	\$ 724,000
Other liabilities	-	-	99,694	173,116
Due to other funds	-	-	9,095	9,095
Judgments payable	-	-	-	515,430
	<u>-</u>	<u>-</u>	<u>108,789</u>	<u>1,421,641</u>
Net Assets				
Held in trust for the prison canteen	-	-	-	48,034
Held in trust for the prison residents	-	-	-	11,493
Held in trust for workers' compensation	1,533,273	-	-	1,533,273
Held in trust for pension benefits	-	-	136,626,213	136,626,213
	<u>1,533,273</u>	<u>-</u>	<u>136,626,213</u>	<u>138,219,013</u>
Total Liabilities and Net Assets	<u>\$ 1,533,273</u>	<u>\$ -</u>	<u>\$ 136,735,002</u>	<u>\$ 139,640,654</u>

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

COUNTY OF CAMBRIA  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2003

	Workers' Compensation Trust Fund	Landfill Trust Fund	Total
Revenues			
Interest income	\$ 28,336	\$ 16,658	\$ 44,994
Investment income	<u>-</u>	<u>(22,096)</u>	<u>(22,096)</u>
Total Revenues	<u>28,336</u>	<u>(5,438)</u>	<u>22,898</u>
Expenses			
Operating expenses	<u>7,510</u>	<u>-</u>	<u>7,510</u>
Total Expenses	<u>7,510</u>	<u>-</u>	<u>7,510</u>
Other Financing Sources/(Uses)			
Operating transfers in	-	5,438	5,438
Operating transfers (out)	<u>-</u>	<u>-</u>	<u>-</u>
Total Sources/(Uses)	<u>-</u>	<u>5,438</u>	<u>5,438</u>
Excess/(Deficiency) of Revenues Over Other Financing Sources/(Uses)	20,826	-	20,826
Net Assets Held in Trust for Specific Purposes - Beginning of Year	<u>1,512,447</u>	<u>-</u>	<u>1,512,447</u>
Net Assets Held in Trust for Specific Purposes - End of Year	<u>\$ 1,533,273</u>	<u>\$ -</u>	<u>\$ 1,533,273</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, 2003

Additions

Contributions:	
Plan members	<u>\$ 3,139,751</u>
Investment Income:	
Interest	2,869,277
Dividends	1,203,842
Net appreciation in fair value of investments	<u>20,410,747</u>
	24,483,866
Less: Investment expense	<u>793,768</u>
Net investment income	<u>23,690,098</u>
Total Additions	<u>26,829,849</u>

Deductions

Benefits	6,149,761
Administrative expenses	<u>59,408</u>
Total Deductions	<u>6,209,169</u>

Increase in Net Assets	20,620,680
------------------------	------------

Net Assets Held in Trust for Employee Pension Benefits:

Beginning of Year	<u>116,005,533</u>
End of Year	<u><u>\$ 136,626,213</u></u>

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

COUNTY OF CAMBRIA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2003

**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, 2003.

### **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, 2003.

### **Cambria County Area Community College**

The members of the governing board of the Cambria County Area 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 Cambria County Area Community College is June 30, 2003.

### **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  
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

Cambria County Area Community College  
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.

### **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. Cambria County Area 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, 2003 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.

### **Cambria County Area Community College**

The Cambria County 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, 2003 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, 2003, but were levied to finance 2003 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, 2003, the amount of unbilled receivables was \$194,254 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, 2003 were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
<u>Governmental Fund Types</u>		
<b>General Fund</b>	\$ <u>4,188,076</u>	\$ <u>3,489,657</u>
<b>Special Revenue Funds</b>		
Domestic Relations	---	512,284
Juvenile Probation	7,092	617,064
Detention/Shelter	778,506	796,150
Farmland Preservation	5,869	---
Driving Under the Influence	---	153,010
911 Emergency Communications	67,763	526,292
County Records Improvement	---	9,437
Area Agency on Aging	52,172	189,708
Foster Grandparents	3,862	---
Children and Youth	---	848,382
Drug and Alcohol	80,040	480
Human Services	4,252	143,947
Liquid Fuels	8,903	---
Chesapeake Bay	41	---
Prothonotary Automation	---	1,225
Mental Health/Mental Retardation	<u>2,527,405</u>	<u>1,440</u>
Total Special Revenue Funds	<u>3,535,905</u>	<u>3,799,419</u>
<b>Debt Service Fund</b>	<u>---</u>	<u>1,064,461</u>
<b>Capital Projects Fund</b>	<u>865,886</u>	<u>67,763</u>
Total Governmental Fund Types	<u>8,589,867</u>	<u>8,421,300</u>
<u>Proprietary Fund Types</u>		
Central Park Complex	45,169	---
Laurel Crest Manor	---	147,188
Laurel Crest DME	<u>---</u>	<u>57,453</u>
Total Proprietary Fund Types	<u>45,169</u>	<u>204,641</u>
<u>Fiduciary Fund Types</u>		
<b>Trust Funds</b>		
Retirement Trust Fund	<u>---</u>	<u>9,095</u>
Total Trust Funds	<u>---</u>	<u>9,095</u>
Total Fiduciary Fund Types	<u>---</u>	<u>9,095</u>
Total Interfunds	\$ <u>8,635,036</u>	\$ <u>8,635,036</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 \$ 5,300,425

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

Reserved for Library \$ 18,154

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

Reserved for 911 Emergency Communications \$ 437,702

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

Reserved for Community College \$ 154,416

This reserve represents restrictions for real estate tax revenues to be used to fund the Cambria County Area Community College.

Reserved for Central Park Complex \$ 38,186

This reserve represents amounts restricted to cover a Retained Earnings Deficit in the County's Central Park Complex Fund.

**Fiduciary Funds**

Retirement Trust Fund \$ 136,626,213

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

Workers' Compensation Trust \$ 1,533,273

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

Prison Canteen/Resident \$ 59,527

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

**Component Units**

Cambria Library Association	\$ <u>348,099</u>
-----------------------------	-------------------

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

Transit Authority	\$ <u>3,084,471</u>
-------------------	---------------------

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

**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, 2003.

Reserved for Loan Covenants	\$ 2,520,507
Reserved for Library	18,154
Reserved for Community College	<u>154,416</u>
Total Restricted Net Assets	\$ <u>2,693,077</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, 2003, 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**

Cambria County 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 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</u> <u>December 31, 2003</u>
Current Assets	\$ 979,920
Total Assets	13,639,422
Current Liabilities	677,281
Total Liabilities	8,488,995
Net Assets	5,150,427
Operating Revenues	656,465
Operating Expenses	849,901
Non-Operating Revenues	3,666,512
Non-Operating Expenses	337,888
Change in Net Assets	3,135,188

#### 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, 2003, 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, 2003, were as follows:

<u>Description</u>	<u>Category</u>			<u>Cost</u>	<u>Fair Market Value</u>
	<u>A</u>	<u>B</u>	<u>C</u>		
Unrestricted:					
Obligation of U.S. Government Securities and its Agencies	\$ ---	\$ ---	\$ 27,543,479	\$ 27,543,479	\$ 28,043,781
Mutual funds	---	---	11,535,544	11,535,544	17,916,301
Corporate bonds and notes	---	---	22,646,569	22,646,569	23,520,755
Municipal obligations	---	---	608,652	608,652	606,889
Stocks	---	---	<u>55,229,237</u>	<u>55,229,237</u>	<u>62,457,282</u>
Total Unrestricted Investments	---	---	<u>117,563,481</u>	<u>117,563,481</u>	<u>132,545,008</u>
Restricted:					
Obligation of U.S. Government Securities and its Agencies	---	---	<u>1,470,583</u>	<u>1,470,583</u>	<u>1,470,583</u>
Total Investments	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$119,034,064</u>	<u>\$119,034,064</u>	<u>\$134,051,436</u>

Cash deposits at December 31, 2003, 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	\$ 4,149,752	\$ ---	\$ 1,325,444	\$ 5,475,196	\$ 5,475,196
Cash on hand	<u>2,360</u>	---	---	<u>2,360</u>	<u>2,360</u>
	<u>4,152,112</u>	---	<u>1,325,444</u>	<u>5,477,556</u>	<u>5,477,556</u>
Restricted:					
Demand deposits with banks	<u>3,218,185</u>	---	<u>3,618,198</u>	<u>6,836,383</u>	<u>6,836,383</u>
Total Deposits	<u>\$ 7,370,297</u>	<u>\$ ---</u>	<u>\$ 4,943,642</u>	<u>\$ 12,313,939</u>	<u>\$ 12,313,939</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	\$ 433,570	\$ ---	\$ 433,570
General Fund:			
Cash held by the County reserved for loan covenants	1,796,795	---	1,796,795
Capital Projects Fund:			
Cash held by the County reserved for loan covenants	<u>723,712</u>	<u>---</u>	<u>723,712</u>
Total Governmental Activities	<u>\$ 2,954,077</u>	<u>\$ ---</u>	<u>\$ 2,954,077</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>257,360</u>	\$ <u>---</u>	\$ <u>257,360</u>
Total Business-Type Activities	<u>\$ 257,360</u>	<u>\$ ---</u>	<u>\$ 257,360</u>

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

Amount established to provide for  
Pension contribution and offset by  
a reserve for balance for pension  
benefits

\$ 3,618,198

\$ ---

\$ 3,618,198

Amount established to provide  
source of funds for workers'  
compensation claims and offset  
by a reserve in fund balance for  
workers' compensation

6,748

1,506,428

1,513,176

Total Fiduciary Funds

\$ 3,624,946

\$ 1,506,428

\$ 5,113,374

**NOTE 4 - REAL ESTATE TAXES**

Real estate taxes attach an enforceable lien on property on January 1. Taxes are billed on or about March 1, payable under the following terms: 2% discount, March 1 through May 1; face amount, May 2 through July 2, and 10% penalty after July 2. 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 2003 was 33 mills, of which 8.5 mills were designated for debt service, 1.5 mills were designated for community college purposes, 1 mill for county library purposes, and the remaining 22 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 \$2,045,076, as stated on the Governmental Funds Balance Sheet, are actual legal claims of lien properties. The County has deferred \$1,682,708 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 2003 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>\$ 2,770,877</u>	<u>(\$ 725,801)</u>	<u>\$ 2,045,076</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, 2003. 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, 2003.

### NOTE 6 - FIXED ASSETS

Capital asset activity for the year ended December 31, 2003 was as follows:

	<u>Balance December 31, 2002</u>	<u>Additions</u>	<u>Disposal</u>	<u>Balance 12/31/03</u>
<b>Government activities:</b>				
Capital assets not being depreciated:				
Construction-in-progress	<u>\$ 7,299,262</u>	<u>\$ 6,267,613</u>	<u>(\$ 11,315,533)</u>	<u>\$ 2,251,342</u>
Total capital assets not being depreciated	<u>7,299,262</u>	<u>6,267,613</u>	<u>( 11,315,533)</u>	<u>2,251,342</u>
Other capital assets:				
Site improvements	1,079,460	360,705	---	1,440,165
Building and permanent fixtures	30,045,796	10,954,828	( 106,332)	40,894,292
Office furniture and equipment	1,973,354	13,398	( 263,188)	1,723,564
General equipment	1,434,569	22,004	( 7,900)	1,448,673

Radio equipment	2,459,630	12,200	(2,200)	2,469,630
Computer hardware and software	2,264,839	211,778	(66,789)	2,409,828
Vehicles	<u>2,458,274</u>	<u>282,283</u>	<u>(181,148)</u>	<u>2,559,409</u>
Total capital assets, at cost	<u>41,715,922</u>	<u>11,857,196</u>	<u>(627,557)</u>	<u>52,945,561</u>
Less accumulated depreciation for:				
Site improvements	( 530,974)	(53,981)	---	(584,955)
Building and permanent fixtures	( 5,883,273)	(911,203)	---	(6,794,476)
Office furniture and equipment	( 1,228,816)	( 79,507)	139,333	(1,168,990)
General equipment	(682,893)	(179,965)	23,243	(839,615)
Radio equipment	( 2,311,609)	( 31,670)	---	(2,343,279)
Computer hardware and software	( 1,006,855)	( 378,426)	16,157	(1,369,124)
Vehicles	( <u>1,530,322</u> )	( <u>209,545</u> )	<u>116,306</u>	<u>(1,623,561)</u>
Total accumulated depreciation	(\$ <u>13,174,742</u> )	( <u>1,844,297</u> )	<u>295,039</u>	<u>(14,724,000)</u>
Governmental activities capital assets, net	<u>\$ 35,840,442</u>	<u>\$ 16,280,512</u>	<u>(\$11,648,051)</u>	<u>\$ 40,472,903</u>

**Business-type activities:**

Capital assets not being depreciated:

Land	\$ <u>383,046</u>	\$ <u>---</u>	\$ <u>---</u>	\$ <u>383,046</u>
Total capital assets not being depreciated	<u>383,046</u>	<u>---</u>	<u>---</u>	<u>383,046</u>

Capital assets:

Land improvements	441,976	1,501	---	443,477
Buildings and permanent fixtures	26,115,778	25,953	---	26,141,731
Machinery & equipment	<u>4,510,900</u>	<u>71,097</u>	<u>(176,473)</u>	<u>4,405,524</u>
Total capital assets at cost	<u>31,068,654</u>	<u>98,551</u>	<u>( 176,473)</u>	<u>30,990,732</u>

Less accumulated depreciation for:

Land improvements	( 416,366)	( 4,423)	---	( 420,789)
Buildings and permanent fixtures	( 14,219,855)	( 642,883)	---	( 14,862,738)
Machinery & equipment	( <u>3,598,295</u> )	( <u>143,851</u> )	<u>178,294</u>	( <u>3,563,852</u> )
Total accumulated depreciation	( <u>18,234,516</u> )	( <u>791,157</u> )	<u>178,294</u>	( <u>18,847,379</u> )

Business-type activities capital assets, net	<u>\$ 13,217,184</u>	<u>(\$ 692,606)</u>	<u>\$ 1,821</u>	<u>\$ 12,526,399</u>
--	----------------------	---------------------	-----------------	----------------------

**COMPONENT UNITS:**

Summaries of the component units' fixed assets as of December 31, 2003 follow:

	Balance December 31, 2002	Additions	Disposals	Balance December 31, 2003
<b>Planning Commission:</b>				
Equipment	\$ 22,247	\$ 948	\$ ---	\$ 23,195
Equipment under capital lease	<u>11,452</u>	<u>---</u>	<u>---</u>	<u>11,452</u>
Total capital assets at cost	<u>33,699</u>	<u>948</u>	<u>---</u>	<u>34,647</u>
Less:				
Accumulated depreciation	( <u>25,423</u> )	( <u>4,632</u> )	<u>---</u>	( <u>30,055</u> )
Total capital assets, net	<u>\$ 8,276</u>	<u>(\$ 3,684)</u>	<u>\$ ---</u>	<u>\$ 4,592</u>

**Redevelopment Authority:**

Furniture & Equipment	\$ 28,278	\$ 601	(\$ 3,747)	\$ 25,132
Equipment under capital lease	<u>12,675</u>	<u>---</u>	( <u>12,675</u> )	<u>---</u>
Total capital assets at cost	<u>40,953</u>	<u>601</u>	( <u>16,422</u> )	<u>25,132</u>
Less:				
Accumulated depreciation	( <u>35,058</u> )	( <u>2,638</u> )	<u>14,467</u>	( <u>23,229</u> )
Total capital assets, net	\$ <u>5,895</u>	(\$ <u>2,037</u> )	(\$ <u>1,955</u> )	\$ <u>1,903</u>

**Library Association:**

Books & audio visual	\$ 1,064,247	\$ 101,243	(\$ 91,346)	\$ 1,074,144
Improvements	119,717	24,928	---	144,645
Furniture & equipment	44,767	1,844	---	46,611
Software	34,107	87,014	---	121,121
Computer equipment	338,783	12,352	---	351,135
Equipment under capital lease	<u>42,425</u>	<u>633</u>	( <u>461</u> )	<u>42,597</u>
Total capital assets at cost	<u>1,644,046</u>	<u>228,014</u>	( <u>91,807</u> )	<u>1,780,253</u>
Less:				
Accumulated depreciation	( <u>873,273</u> )	( <u>156,136</u> )	<u>87,825</u>	( <u>941,584</u> )
Total capital assets, net	\$ <u>770,773</u>	\$ <u>71,878</u>	(\$ <u>3,982</u> )	\$ <u>838,669</u>

**Municipal Airport Authority:**

Land	\$ 1,347,048	\$ ---	\$ ---	\$ 1,347,048
Construction-in-progress	1,958,496	1,018,096	( 503,283)	2,473,309
Improvements	27,508,764	---	---	27,508,764
Building & improvements	3,002,884	503,283	---	3,506,167
Vehicles & equipment	<u>1,645,161</u>	<u>133,047</u>	<u>---</u>	<u>1,778,208</u>
Total capital assets at cost	<u>35,462,353</u>	<u>1,654,426</u>	( <u>503,283</u> )	<u>36,613,496</u>
Less:				
Accumulated depreciation	( <u>17,650,036</u> )	( <u>1,958,384</u> )	<u>---</u>	( <u>19,608,420</u> )
Total capital assets, net	\$ <u>17,812,317</u>	(\$ <u>303,958</u> )	(\$ <u>503,283</u> )	\$ <u>17,005,076</u>

**Transit Authority:**

Land – Inclined Plane	\$ 516,712	\$ ---	\$ ---	\$ 516,712
Right-of-ways	335,709	---	---	335,709
Passenger vehicles	9,434,131	77,584	---	9,511,715
Buildings & equipment- Inclined Plane	8,081,548	28,963	---	8,110,511
Buildings	4,874,112	1,506,698	---	6,380,810
Shop equipment	900,117	8,029	---	908,146
Office equipment	602,857	7,059	---	609,916
Miscellaneous equipment	556,516	2,922	---	559,438
Service equipment	418,167	123,389	---	541,556
Shelters, signs, & bus stops	496,079	3,240	---	499,319
Safety Program	197,430	---	(5,793)	191,637
Penn Fix Program	<u>18,733</u>	<u>10,671</u>	<u>---</u>	<u>29,404</u>
Total capital assets at cost	<u>26,432,111</u>	<u>1,768,555</u>	( <u>5,793</u> )	<u>28,194,873</u>
Less:				
Accumulated depreciation	( <u>11,852,415</u> )	( <u>1,372,868</u> )	<u>5,793</u>	( <u>13,219,490</u> )
Total capital assets, net	\$ <u>14,579,696</u>	\$ <u>395,687</u>	\$ <u>---</u>	\$ <u>14,975,383</u>

**Solid Waste Management Authority:**

Furniture & fixtures	\$ 18,810	\$ 288	\$ ---	\$ 19,098
Equipment	608,245	274,451	---	882,696
Improvements	<u>8,772</u>	<u>---</u>	<u>---</u>	<u>8,772</u>
Total capital assets at cost	<u>635,827</u>	<u>274,739</u>	<u>---</u>	<u>910,566</u>
Less:				
Accumulated depreciation	( <u>99,167</u> )	( <u>65,575</u> )	<u>---</u>	( <u>164,742</u> )
Total capital assets, net	\$ <u>536,660</u>	\$ <u>209,164</u>	\$ <u>---</u>	\$ <u>745,824</u>



**Conservation & Recreation Authority:**

Land	\$ <u>123,439</u>	\$ <u>---</u>	\$ <u>---</u>	\$ <u>123,439</u>
------	-------------------	---------------	---------------	-------------------

**Cambria County Area Community College:**

Equipment	\$ 2,339,192	\$ 482,843	\$ (744,005)	\$ 2,078,030
-----------	--------------	------------	--------------	--------------

Signage	15,061	---	---	15,061
---------	--------	-----	-----	--------

Computer software	<u>603,007</u>	<u>14,624</u>	<u>---</u>	<u>617,631</u>
-------------------	----------------	---------------	------------	----------------

Total capital assets at cost	<u>2,957,260</u>	<u>497,467</u>	<u>(744,005)</u>	<u>2,710,722</u>
------------------------------	------------------	----------------	------------------	------------------

Less:

Accumulated depreciation	( <u>1,858,742</u> )	( <u>400,279</u> )	<u>744,005</u>	( <u>1,515,016</u> )
--------------------------	----------------------	--------------------	----------------	----------------------

Total capital assets, net	\$ <u>1,098,518</u>	\$ <u>97,188</u>	\$ <u>---</u>	\$ <u>1,195,706</u>
---------------------------	---------------------	------------------	---------------	---------------------

<b>Total Component Unit Capital Assets at December 31, 2003</b>				<b><u>\$34,890,592</u></b>
---	--	--	--	----------------------------

**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, 2004, the date of the latest actuarial valuation:

Retirees and Beneficiaries Receiving Benefits	579
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	53
Active Plan Members	<u>1,284</u>
	<u>1,916</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 2003, was determined as part of the January 1, 2003, actuarial valuation. The County's annual pension cost, annual required contribution and net pension obligation to the Cambria County Employee's Retirement System were \$11,704 for 2003. 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, 2001	\$ ---	N/A	\$ ---
December 31, 2002	\$ ---	N/A	\$ ---
December 31, 2003	\$11,704	100%	\$ ---

**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, 347 retirees and their spouses meet those eligibility requirements. During the year ended December 31, 2003, expenditures of \$1,479,579 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, 2003 are summarized as follows:

<u>Laurel Crest Manor Enterprise Fund</u>	<u>Long-Term Obligation</u>	<u>Total</u>
\$ <u>1,895,039</u>	\$ <u>990,147</u>	\$ <u>2,885,186</u>

The following summary provides aggregate information on workers' compensation self-insurance liabilities; incurred claims and payments during the years ended December 31, 2003 and 2002:

<u>Year</u>	<u>January 1, Liability</u>	<u>Incurred Claims</u>	<u>Payments</u>	<u>December 31, Liability</u>
2003	\$ <u>2,567,818</u>	\$ <u>580,234</u>	\$ <u>262,866</u>	\$ <u>2,885,186</u>
2002	\$ <u>2,335,873</u>	\$ <u>740,470</u>	\$ <u>508,525</u>	\$ <u>2,567,818</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, 2003 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, 2003 amounting to \$3,261,295 represent the value of the current year additions to the Arena. The total project cost at December 31, 2003 amounted to \$10,347,218. The project was completed during 2003.

## Component Units

Summaries of the component units' capital contributions as of December 31, 2003 follow:

### Municipal Airport Authority

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

Grants for capital asset acquisition, facility development and rehabilitation and eligible long-term planning studies are reported in the Statement of Revenues, Expenses, and Changes in Net Assets, after non-operating revenues and expenses as capital contributions which amounted to \$1,156,517 at December 31, 2003.

### Transit Authority

Capital grant contributions from federal and state governments amounted to \$2,171,274 for the Transit Authority at December 31, 2003.

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

Long-term liability activity for the year ended December 31, 2003, was as follows:

	Balance <u>12-31-02</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>12-31-03</u>	Amounts Due Within <u>One Year</u>
<b>Governmental Activities:</b>					
Bonds and Notes Payable:					
1994 General Obligation Bonds	\$ 5,643,000	\$ ---	(\$ 165,000)	\$5,478,000	\$175,000
1998 General Obligation Bonds	32,707,194	---	(888,459)	31,818,735	935,220
General Obligation Notes	8,974,579	---	(460,935)	8,513,644	474,475

Other Liabilities:

Accrued Vacation Pay	1,233,426	1,366,885	(1,233,426)	1,366,885	1,366,885
Estimated Workers' Compensation Liability	<u>461,575</u>	<u>528,572</u>	<u>---</u>	<u>990,147</u>	<u>---</u>

Governmental Activities Long-term Liabilities	<u>\$ 49,019,774</u>	<u>\$ 1,895,457</u>	<u>(\$ 2,747,820)</u>	<u>\$48,167,411</u>	<u>\$2,951,580</u>
---	----------------------	---------------------	-----------------------	---------------------	--------------------

	Balance 12-31-02	Additions	Reductions	Balance 12-31-03	Amounts Due Within One Year
<b>Business-type Activities:</b>					
Bonds and Notes Payable:					

1998 General Obligation Bonds	\$ 5,762,806	\$ ---	(\$ 156,202)	\$ 5,606,604	\$ 164,780
-------------------------------	--------------	--------	--------------	--------------	------------

Other Liabilities:

Accrued Vacation Pay	864,101	823,094	(864,101)	823,094	823,094
Estimated Workers' Compensation Liability	<u>2,106,243</u>	<u>---</u>	<u>( 211,204)</u>	<u>1,895,039</u>	<u>---</u>

Business-type Activities Long-term Liabilities	<u>\$ 8,733,150</u>	<u>\$ 823,094</u>	<u>(\$ 1,231,507)</u>	<u>\$ 8,324,737</u>	<u>\$ 987,874</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, 2003 amounted to \$5,478,000 (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 \$37,425,339 at December 31, 2003 (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 \$8,513,644 (final maturity in 2030).

Interest rates on the above obligations range from 4.375% 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, 2003, amounted to \$26,065,000.

### 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>			
<b><u>Years Ending December 31:</u></b>			
2004	\$ 175,000	\$ 339,530	\$ 514,530
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
2009-2013	1,310,000	1,260,567	2,570,567
2014-2018	1,805,000	776,150	2,581,150
2019-2022	<u>1,383,000</u>	<u>175,420</u>	<u>1,558,420</u>
	<u>\$ 5,478,000</u>	<u>\$ 3,806,506</u>	<u>\$ 9,284,506</u>
To be Retired by:			
Business-Type Activities	\$ ---	\$ ---	\$ ---
Governmental Activities	<u>5,478,000</u>	<u>3,806,506</u>	<u>9,284,506</u>
	<u>\$ 5,478,000</u>	<u>\$ 3,806,506</u>	<u>\$ 9,284,506</u>
<b>1998 General Obligation Bond</b>			

Years Ending December 31:

2004	\$ 1,100,000	\$ 1,904,587	\$ 3,004,587
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
2009-2013	1,380,000	7,374,405	8,754,405
2014-2018	11,910,000	5,056,500	16,966,500
2019-2023	<u>18,115,339</u>	<u>2,215,000</u>	<u>20,330,339</u>
	<u>\$ 37,425,339</u>	<u>\$ 23,635,390</u>	<u>\$ 61,060,390</u>

To be Retired by:

Business-Type Activities	\$ 5,606,604	\$ 3,540,581	\$ 9,147,185
Governmental Activities	<u>31,818,735</u>	<u>20,094,809</u>	<u>51,913,544</u>
	<u>\$ 37,425,339</u>	<u>\$ 23,635,390</u>	<u>\$ 61,060,729</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>			
2004	\$ 474,475	\$ 239,114	\$ 713,589
2005	488,084	225,505	713,589
2006	502,084	211,505	713,589
2007	516,485	197,104	713,589
2008	531,299	182,290	713,589
2009-2013	2,894,018	673,931	3,567,949
2014-2018	<u>3,107,199</u>	<u>232,554</u>	<u>3,339,753</u>
	<u>\$ 8,513,644</u>	<u>\$ 1,962,003</u>	<u>\$ 10,475,647</u>

To be Retired by:

Business-Type Activities	\$ ---	\$ ---	\$ ---
Governmental Activities	<u>8,513,644</u>	<u>1,962,003</u>	<u>10,475,647</u>
	<u>\$ 8,513,644</u>	<u>\$ 1,962,003</u>	<u>\$ 10,475,647</u>

**NOTE 12 - CAPITAL LEASE**

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.

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

2004	\$ 256,930
2005	256,042
2006	268,549
2007	281,681
2008	295,471
Thereafter	<u>10,141,327</u>
	<u>\$11,500,000</u>

## NOTE 13 - COMMITMENTS AND CONTINGENCIES

### Component Units:

#### Cambria County Redevelopment Authority

##### Guarantees of Indebtness

###### (a.) Veritas Capital Inc./Republic Technologies

The Redevelopment Authority of Cambria County, through the County of Cambria is acting as a guarantee of indebtedness in the Federal Section 108 Loan Guarantee Program. The County has guaranteed the County Entitlement portion of the Community Development Block Grants as collateral for a period of ten years, three of which remain. The Authority is committed on behalf of the County contingent upon receipt of CDBG funds.

The funds were requested by Veritas Capital, Inc. of New York for financial assistance for the acquisition, upgrade, and modernization, start-up costs and operation of certain portions of the Bethlehem Steel Bar, Rod and Wire Division in the Borough of Franklin.

During 2001 Republic Technologies International filed for bankruptcy and ceased repayments. As a result, the County is primarily liable for this loan out of future CDBG funds.

The Authority receives the CDBG funds and remits them as payment on the loan on behalf of the County. In 2003, \$361,043 was passed through in this manner. The last payment due on this obligation was remitted in July 2003 and therefore no further payments are scheduled to be paid pertaining to this obligation.

###### (b.) UMF Holding Company, Inc.

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, 2003, was \$394,257.

## 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, 2003. 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, 2003, the following funds' expenditures exceeded appropriations by the following amounts:

<u>Fund</u>	<u>Amount</u>
Hotel Tax	\$ 31,373
911 Emergency Communications	99,030
Domestic Relations	178,954
Detention/Shelter	67,461
SHARP	12,151
Foster Grandparents	26,219
Driving Under the Influence	35,700
County Records Improvement	60,309
Central Park Complex	433,148

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, 2003.

<u>Fund</u>	<u>Amount</u>
Laurel Crest Manor Fund	5,300,425
Debt Service	1,038,191
911 Emergency Communications	437,702
Central Park Complex	38,186

## 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>452,610</u>
Cambria County Municipal Airport Authority	\$ <u>184,999</u>
Cambria Library Association	\$ <u>552,653</u>
Cambria County Planning Commission	\$ <u>45,664</u>
Cambria County Area Community College	\$ <u>775,000</u>
Cambria County Conservation and Recreation Authority	\$ <u>69,881</u>
Cambria County Solid Waste Management Authority	\$ <u>197,231</u>

### County Appropriations to Related Organizations:

Cambria County Child Development Corp.	\$ <u>3,537,986</u>
Cambria County Industrial Development Authority	\$ <u>37,500</u>

### Cambria County Area Community College

During fiscal year ending June 30, 2003, the College incurred costs of \$249,677 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 ADJUSTMENTS AND CHANGE IN ACCOUNTING PRINCIPLES**

In previous years, county and county-affiliated facilities such as Laurel Crest have been eligible to receive certain funds from the Pennsylvania Department of Public Welfare based on each facility's Medicaid days for calendar year 1998. In order to receive these funds, the facility must agree to withdraw and/or not file or pursue any appeals, claims or proceedings, relating to a facility's case-mix rates or Medicaid reimbursement to correspond with the fiscal period of the state of Pennsylvania from July 1 through June 30. Prior to January 1, 2003, Laurel Crest recorded one-half of this expected lump sum payment in the calendar year prior to signing the agreement agreeing not to pursue any appeals relating to its case-mix rates to correspond to the period from July 1 through December 31. Since this lump sum payment is a year-to-year transitional payment and future payments are not assured, Laurel Crest changed its policy with regard to the accounting for the recognition of these funds. Effective January 1, 2003, these funds will be recognized when the funds are made available to Laurel Crest.

The effect of this change in accounting method was to increase the change in net assets by \$10,195 in 2003 and to decrease retained earnings at January 1, 2003 by \$327,620.

### **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, 2003, is as follows:

	Laurel Crest Manor Fund	Laurel Crest D.M.E.	Central Park Complex	Total
Operating Revenues	25,846,407	\$ 143,347	\$ 904,603	\$ 27,219,853
Depreciation and Amortization Expense	589,946	---	205,923	853,128
Operating Income/(Loss)	1,160,226	978,127	274	45,999
Net Income (Loss)	(10,392,476)	(31,542)	224,739	1,548,692
Fixed Asset Additions	98,553	---	---	311,385
Fixed Asset Deletions	(176,473)	---	---	(5,562)
Total Assets	10,341,157	78,412	5,713,159	16,112,570
Capital Leases	11,500,000	---	---	11,500,000
Bonds	---	---	5,606,604	5,763,145
Total Net Assets/(Deficit)	(5,300,425)	274	(38,186)	( 5,188,562)

The Laurel Crest Manor Fund and The Central Park Complex reported a retained earnings deficit of \$5,300,425 and \$38,186 at December 31, 2003, respectively. The General Fund included a reserve fund balance to adequately fund these deficits.

## NOTE 21 - DEFICIT FUND BALANCE

The County General Fund has a deficit unreserved fund balance of \$5,403,010 at December 31, 2003. In addition, at December 31, 2003, the General Fund had used cash from the other Agency Funds to pay general operating costs. The County has experienced significant cash flow problems. The possible effects of these events cannot be presently determined, and accordingly, no additional adjustments that may result have been recorded in the financial statements.

The County has implemented corrective actions related to the deficit unreserved fund balance in the General Fund. Some of the actions taken by the County are:

- Issued \$11,500,000 Lease/Rental debt relating to Laurel Crest Manor
- Increased tax mills for general government purposes
- Eliminated non essential personnel
- Froze capital expenditures
- Ensured departments refrained from ordering nonessential supplies
- Discontinued use of restricted assets for payment of general operating costs

## **NOTE 22 - SUBSEQUENT EVENT**

### Tax Anticipation Note

In March, 2004, the County issued a tax and revenue anticipation note of \$4,994,416. The note was paid off in May of 2004.

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, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final	Amounts	
<b>Revenues</b>				
Real estate taxes	\$ 18,919,840	\$ 18,919,840	\$ 18,584,862	\$ (334,978)
Charges for services	8,325,881	8,325,881	7,124,399	(1,201,482)
Interest and investment income	222,000	222,000	62,170	(159,830)
Intergovernmental revenues	3,738,306	3,738,306	5,624,643	1,886,337
Other	498,693	498,693	798,684	299,991
<b>Total Revenues</b>	<u>31,704,720</u>	<u>31,704,720</u>	<u>32,194,758</u>	<u>490,038</u>
<b>Expenditures</b>				
General government - Administrative	4,940,860	4,572,860	3,977,289	595,571
General government - Judicial	6,498,611	6,546,941	6,505,856	41,085
Public safety	6,409,126	6,425,046	7,381,298	(956,252)
Public works	932,845	1,003,445	980,349	23,096
Human services	3,228,000	3,228,000	4,518,198	(1,290,198)
Culture and recreation	716,992	923,297	929,231	(5,934)
Conservation and development	1,241,992	1,298,837	951,156	347,681
Employee benefits	5,937,800	5,907,800	4,217,808	1,689,992
Debt service	347,600	347,600	272,667	74,933
<b>Total Expenditures</b>	<u>30,253,826</u>	<u>30,253,826</u>	<u>29,733,852</u>	<u>519,974</u>
<b>Excess/(Deficiency) of Revenues Over/(Under) Expenditures</b>	<u>1,450,894</u>	<u>1,450,894</u>	<u>2,460,906</u>	<u>1,010,012</u>
<b>Other Financing Sources/(Uses)</b>				
Operating transfers in	5,701,379	5,701,379	11,447,795	5,746,416
Operating transfers (out)	(7,152,273)	(7,152,273)	(7,834,842)	(682,569)
<b>Total Other Financing Sources/(Uses)</b>	<u>(1,450,894)</u>	<u>(1,450,894)</u>	<u>3,612,953</u>	<u>5,063,847</u>
<b>Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses</b>	<u>-</u>	<u>-</u>	<u>6,073,859</u>	<u>6,073,859</u>
<b>Fund Balances - Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>(3,731,191)</u>	<u>(3,731,191)</u>
<b>Fund Balances - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,342,668</u>	<u>\$ 2,342,668</u>

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, 2003

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
Revenues				
Intergovernmental revenues	\$ 2,561,814	2,561,814	\$ 1,074,813	\$ (1,487,001)
Charges for services	67,000	67,000	20,378	(46,622)
Interest and investment income	20,500,000	20,500,000	20,796,915	296,915
Other income	14,000	14,000	33,718	19,718
Total Revenues	23,142,814	23,142,814	21,925,824	(1,216,990)
Expenditures				
Human services	23,662,814	23,662,814	22,275,186	1,387,628
Total Expenditures	23,662,814	23,662,814	22,275,186	1,387,628
(Deficiency)/Excess of Revenue Over/(Under)				
Expenditures	(520,000)	(520,000)	(349,362)	170,638
Other Financing Sources/(Uses)				
Operating transfers in	520,000	520,000	349,362	(170,638)
Operating transfers (out)	-	-	-	-
Total Other Financing Sources/ (Uses)	520,000	520,000	349,362	(170,638)
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, 2001

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, 1999	\$ ---	N/A
December 31, 2000	\$ ---	N/A
December 31, 2001	\$ ---	N/A
December 31, 2002	\$ ---	N/A
December 31, 2003	\$11,704	100%

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, 2003:

**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.

**CHILDREN & YOUTH FAMILIES 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.

**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, 2003

	<u>Debt Service Fund</u>	<u>Hotel Tax Fund</u>	<u>Liquid Fuels Tax Fund</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 26,415	\$ 11,680	\$ 341,003
Restricted cash	-	-	-
Accounts receivable	-	42,815	-
Due from other governments	-	-	-
Prepaid expenses and other assets	-	-	-
Due from other funds	-	-	8,903
	<u>-</u>	<u>-</u>	<u>8,903</u>
Total Assets	<u>\$ 26,415</u>	<u>\$ 54,495</u>	<u>\$ 349,906</u>
<u>LIABILITIES AND FUND BALANCE</u>			
Liabilities			
Accounts payable and accrued liabilities	\$ 145	\$ 54,495	\$ 71,808
Deferred revenues	-	-	-
Due to other governments	-	-	-
Due to other funds	1,064,461	-	-
	<u>1,064,461</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>1,064,606</u>	<u>54,495</u>	<u>71,808</u>
Fund Balance			
Unreserved	(1,038,191)	-	278,098
	<u>(1,038,191)</u>	<u>-</u>	<u>278,098</u>
Total Fund Balance	<u>(1,038,191)</u>	<u>-</u>	<u>278,098</u>
Total Liabilities and Fund Balance	<u>\$ 26,415</u>	<u>\$ 54,495</u>	<u>\$ 349,906</u>

See Independent Auditor's Report



COUNTY OF CAMBRIA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2003

	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	\$ 5,520	\$ 2,263	\$ 285,020
Restricted cash	-	-	-
Accounts receivable	119,456	-	-
Due from other governments	-	574,640	212,435
Prepaid expenses and other assets	-	-	-
Due from other funds	<u>67,763</u>	<u>-</u>	<u>80,040</u>
Total Assets	<u>\$ 192,739</u>	<u>\$ 576,903</u>	<u>\$ 577,495</u>
	<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities			
Accounts payable and accrued liabilities	\$ 104,149	\$ 64,619	\$ 265,125
Deferred revenues	-	-	311,890
Due to other governments	-	-	-
Due to other funds	<u>526,292</u>	<u>512,284</u>	<u>480</u>
Total Liabilities	<u>630,441</u>	<u>576,903</u>	<u>577,495</u>
Fund Balance			
Unreserved	<u>(437,702)</u>	<u>-</u>	<u>-</u>
Total Fund Balance	<u>(437,702)</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 192,739</u>	<u>\$ 576,903</u>	<u>\$ 577,495</u>

See Independent Auditor's Report

COUNTY OF CAMBRIA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2003

	Children and Youth Families Fund	Detention/ Shelter Fund	Juvenile Probation Fund
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 4,775	\$ -	\$ -
Restricted cash	-	-	-
Accounts receivable	142,667	-	-
Due from other governments	1,559,733	67,110	791,541
Prepaid expenses and other assets	-	-	-
Due from other funds	<u>-</u>	<u>778,506</u>	<u>7,092</u>
Total Assets	<u>\$ 1,707,175</u>	<u>\$ 845,616</u>	<u>\$ 798,633</u>
<u>LIABILITIES AND FUND BALANCE</u>			
Liabilities			
Accounts payable and accrued liabilities	\$ 845,590	\$ 49,466	\$ 181,569
Deferred revenues	-	-	-
Due to other governments	13,203	-	-
Due to other funds	<u>848,382</u>	<u>796,150</u>	<u>617,064</u>
Total Liabilities	<u>1,707,175</u>	<u>845,616</u>	<u>798,633</u>
Fund Balance			
Unreserved	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 1,707,175</u>	<u>\$ 845,616</u>	<u>\$ 798,633</u>

See Independent Auditor's Report

COUNTY OF CAMBRIA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2003

	Area Agency on Aging Fund	Human Services Fund	Foster Grand- Parents Fund	Substance Abuse Fund
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 37,181	\$ 14,537	\$ 37,885	\$ 95,593
Restricted cash	-	-	-	-
Accounts receivable	382,333	148,181	-	1,473
Due from other governments	173,365	-	-	-
Prepaid expenses and other assets	15,033	-	-	-
Due from other funds	<u>52,172</u>	<u>4,252</u>	<u>3,862</u>	<u>-</u>
Total Assets	<u>\$ 660,084</u>	<u>\$ 166,970</u>	<u>\$ 41,747</u>	<u>\$ 97,066</u>
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities				
Accounts payable and accrued liabilities	\$ 470,376	\$ 23,023	\$ 6,739	\$ -
Deferred revenues	-	-	35,008	-
Due to other governments	-	-	-	-
Due to other funds	<u>189,708</u>	<u>143,947</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>660,084</u>	<u>166,970</u>	<u>41,747</u>	<u>-</u>
Fund Balance				
Unreserved	<u>-</u>	<u>-</u>	<u>-</u>	<u>97,066</u>
Total Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>97,066</u>
Total Liabilities and Fund Balance	<u>\$ 660,084</u>	<u>\$ 166,970</u>	<u>\$ 41,747</u>	<u>\$ 97,066</u>

See Independent Auditor's Report

COUNTY OF CAMBRIA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2003

	<u>Farmland Preservation Fund</u>	<u>Driving Under the Influence Fund</u>	<u>Affordable Housing Fund</u>	<u>Register of Wills Fund</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 8,504	\$ 381,281	\$ 702,368	\$ 2,512
Restricted cash	-	-	-	-
Accounts receivable	-	18,476	-	505
Due from other governments	2,232	-	13,634	-
Prepaid expenses and other assets	-	-	-	-
Due from other funds	<u>5,869</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 16,605</u>	<u>\$ 399,757</u>	<u>\$ 716,002</u>	<u>\$ 3,017</u>
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities				
Accounts payable and accrued liabilities	\$ 256	\$ 1,752	\$ -	\$ 1,528
Deferred revenues	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	<u>-</u>	<u>153,010</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>256</u>	<u>154,762</u>	<u>-</u>	<u>1,528</u>
Fund Balance				
Unreserved	<u>16,349</u>	<u>244,995</u>	<u>716,002</u>	<u>1,489</u>
Total Fund Balance	<u>16,349</u>	<u>244,995</u>	<u>716,002</u>	<u>1,489</u>
Total Liabilities and Fund Balance	<u>\$ 16,605</u>	<u>\$ 399,757</u>	<u>\$ 716,002</u>	<u>\$ 3,017</u>

See Independent Auditor's Report

COUNTY OF CAMBRIA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2003

	Chesapeake Bay Fund	Dirt and Gravel Road Fund	Prothonotary Automation Fund	Clerk of Courts Automation Fund
<u>ASSETS</u>				
Cash and cash equivalents	\$ 12,383	\$ 39,606	\$ 23,060	\$ 17,498
Restricted cash	-	-	-	-
Accounts receivable	5,970	-	-	-
Due from other governments	-	-	935	710
Prepaid expenses and other assets	-	-	-	-
Due from other funds	41	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 18,394</u>	<u>\$ 39,606</u>	<u>\$ 23,995</u>	<u>\$ 18,208</u>
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities				
Accounts payable and accrued liabilities	\$ 370	\$ -	\$ -	\$ -
Deferred revenues	18,024	39,606	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	1,225	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities	<u>18,394</u>	<u>39,606</u>	<u>1,225</u>	<u>-</u>
Fund Balance				
Unreserved	-	-	22,770	18,208
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Fund Balance	<u>-</u>	<u>-</u>	<u>22,770</u>	<u>18,208</u>
Total Liabilities and Fund Balance	<u>\$ 18,394</u>	<u>\$ 39,606</u>	<u>\$ 23,995</u>	<u>\$ 18,208</u>

See Independent Auditor's Report

COUNTY OF CAMBRIA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2003

	County Records Improvement Fund	HMER Fund	SHARP Fund	Total Current Year
<u>ASSETS</u>				
Cash and cash equivalents	\$ 209,421	\$ 60,397	\$ 25,434	\$ 2,344,336
Restricted cash	-	-	-	-
Accounts receivable	-	-	-	861,876
Due from other governments	-	4,000	-	3,400,335
Prepaid expenses and other assets	9,645	-	-	24,678
Due from other funds	-	-	-	1,008,500
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 219,066</u>	<u>\$ 64,397</u>	<u>\$ 25,434</u>	<u>\$ 7,639,725</u>
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities				
Accounts payable and accrued liabilities	\$ -	\$ 827	\$ 6,477	\$ 2,148,314
Deferred revenues	-	-	-	404,528
Due to other governments	-	-	-	13,203
Due to other funds	9,437	-	-	4,862,440
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities	<u>9,437</u>	<u>827</u>	<u>6,477</u>	<u>7,428,485</u>
Fund Balance				
Unreserved	<u>209,629</u>	<u>63,570</u>	<u>18,957</u>	<u>211,240</u>
Total Fund Balance	<u>209,629</u>	<u>63,570</u>	<u>18,957</u>	<u>211,240</u>
Total Liabilities and Fund Balance	<u>\$ 219,066</u>	<u>\$ 64,397</u>	<u>\$ 25,434</u>	<u>\$ 7,639,725</u>

See Independent Auditor's Report

COUNTY OF CAMBRIA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2003

	Debt Service Fund	Hotel Tax Fund	Liquid Fuels Tax Fund
Revenues			
Intergovernmental revenues	\$ -	\$ -	\$ 568,870
Charges for services	-	-	-
Interest and investment income	122	232	2,901
Other income	-	286,766	3,400
	<u>122</u>	<u>286,998</u>	<u>575,171</u>
Total Revenues	<u>122</u>	<u>286,998</u>	<u>575,171</u>
Expenditures			
Human services	-	-	-
General government - Judicial	-	-	-
Public works	-	-	603,363
Emergency communication services	-	-	-
Debt service	3,778,973	-	-
Conservation and development	-	281,259	-
	<u>3,778,973</u>	<u>281,259</u>	<u>603,363</u>
Total Expenditures	<u>3,778,973</u>	<u>281,259</u>	<u>603,363</u>
(Deficiency)/Excess of Revenue Over/(Under) Expenditures	<u>(3,778,851)</u>	<u>5,739</u>	<u>(28,192)</u>
Other Financing Sources/(Uses)			
Operating transfers in	3,910,484	-	-
Operating transfers (out)	-	(5,739)	-
	<u>3,910,484</u>	<u>(5,739)</u>	<u>-</u>
Total Other Financing Sources/ (Uses)	<u>3,910,484</u>	<u>(5,739)</u>	<u>-</u>
(Deficiency)/Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	131,633	-	(28,192)
Fund Balance - Beginning of Year	<u>(1,169,824)</u>	<u>-</u>	<u>306,290</u>
Fund Balance - End of Year	<u>\$ (1,038,191)</u>	<u>\$ -</u>	<u>\$ 278,098</u>

See Independent Auditor's Report

COUNTY OF CAMBRIA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2003

	911 Emergency Communication Fund	Domestic Relations Office Fund	Drug and Alcohol Fund
Revenues			
Intergovernmental revenues	\$ 148,952	\$ 1,445,698	\$ 1,348,863
Charges for services	1,593,845	50,635	-
Interest and investment income	1,084	646	2,585
Other income	12,825	-	483,672
Total Revenues	<u>1,756,706</u>	<u>1,496,979</u>	<u>1,835,120</u>
Expenditures			
Human services	-	-	1,875,120
General government - Judicial	-	2,062,339	-
Public works	-	-	-
Emergency communication services	2,184,194	-	-
Debt service	-	-	-
Conservation and development	-	-	-
Total Expenditures	<u>2,184,194</u>	<u>2,062,339</u>	<u>1,875,120</u>
(Deficiency)/Excess of Revenue (Under) Expenditures	<u>(427,488)</u>	<u>(565,360)</u>	<u>(40,000)</u>
Other Financing Sources/(Uses)			
Operating transfers in	300,000	565,360	40,000
Operating transfers (out)	-	-	-
Total Other Financing Sources/ (Uses)	<u>300,000</u>	<u>565,360</u>	<u>40,000</u>
(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(127,488)	-	-
Fund Balance - Beginning of Year	<u>(310,214)</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u><u>\$ (437,702)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See Independent Auditor's Report



COUNTY OF CAMBRIA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2003

	Children and Youth Families Fund	Detention/ Shelter Fund	Juvenile Probation Fund
Revenues			
Intergovernmental revenues	\$ 7,638,576	\$ -	\$ 2,157,752
Charges for services	102,827	1,142,442	-
Interest and investment income	1,473	-	-
Other income	4,300	-	526,613
Total Revenues	<u>7,747,176</u>	<u>1,142,442</u>	<u>2,684,365</u>
Expenditures			
Human services	8,476,650	1,212,030	3,734,003
General government - Judicial	-	-	-
Public works	-	-	-
Emergency communication services	-	-	-
Debt service	-	-	-
Conservation and development	-	-	-
Total Expenditures	<u>8,476,650</u>	<u>1,212,030</u>	<u>3,734,003</u>
(Deficiency)/Excess of Revenue Over/(Under) Expenditures	<u>(729,474)</u>	<u>(69,588)</u>	<u>(1,049,638)</u>
Other Financing Sources/(Uses)			
Operating transfers in	729,474	69,588	1,049,638
Operating transfers (out)	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources/ (Uses)	<u>729,474</u>	<u>69,588</u>	<u>1,049,638</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>
Fund Balance - End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See Independent Auditor's Report

COUNTY OF CAMBRIA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2003

	Area Agency on Aging Fund	Human Services Fund	Foster Grand- Parent Fund	Substance Abuse Fund
Revenues				
Intergovernmental revenues	\$ 5,400,704	\$ 683,958	\$ 420,404	\$ -
Charges for services	531,828	-	-	-
Interest and investment income	5,102	425	642	654
Other income	44,266	-	226,619	12,523
Total Revenues	<u>5,981,900</u>	<u>684,383</u>	<u>647,665</u>	<u>13,177</u>
Expenditures				
Human services	5,981,900	684,383	647,665	16,111
General government - Judicial	-	-	-	-
Public works	-	-	-	-
Emergency communication services	-	-	-	-
Debt service	-	-	-	-
Conservation and development	-	-	-	-
Total Expenditures	<u>5,981,900</u>	<u>684,383</u>	<u>647,665</u>	<u>16,111</u>
(Deficiency)/Excess of Revenue Over/(Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,934)</u>
Other Financing Sources/(Uses)				
Operating transfers in	-	-	-	100,000
Operating transfers (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources/ (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,000</u>
Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	-	-	-	97,066
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>\$ 97,066</u>

See Independent Auditor's Report

COUNTY OF CAMBRIA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2003

	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	-	5,015	3,929	2
Other income	19,010	244,161	198,195	3,015
Total Revenues	<u>19,010</u>	<u>249,176</u>	<u>202,124</u>	<u>3,017</u>
Expenditures				
Human services	-	-	-	-
General government - Judicial	-	220,200	-	1,528
Public works	-	-	-	-
Emergency communication services	-	-	-	-
Debt service	-	-	-	-
Conservation and development	22,723	-	103,199	-
Total Expenditures	<u>22,723</u>	<u>220,200</u>	<u>103,199</u>	<u>1,528</u>
Excess of Revenue				
Over/(Under) Expenditures	<u>(3,713)</u>	<u>28,976</u>	<u>98,925</u>	<u>1,489</u>
Other Financing Sources/(Uses)				
Operating transfers in	20,062	-	-	-
Operating transfers (out)	<u>-</u>	<u>(167,850)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources/ (Uses)	<u>20,062</u>	<u>(167,850)</u>	<u>-</u>	<u>-</u>
(Deficiency)/Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	16,349	(138,874)	98,925	1,489
Fund Balance - Beginning of Year	<u>-</u>	<u>383,869</u>	<u>617,077</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 16,349</u>	<u>\$ 244,995</u>	<u>\$ 716,002</u>	<u>\$ 1,489</u>

See Independent Auditor's Report

COUNTY OF CAMBRIA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2003

	Chesapeake Bay Fund	Dirt and Gravel Road Fund	Prothonotary Automation Fund	Clerk of Courts Automation Fund
Revenues				
Intergovernmental revenues	\$ 45,540	\$ 22,720	\$ -	\$ -
Charges for services	-	-	-	-
Interest and investment income	181	437	309	129
Other income	-	-	12,200	7,803
Total Revenues	<u>45,721</u>	<u>23,157</u>	<u>12,509</u>	<u>7,932</u>
Expenditures				
Human services	-	23,157	-	-
General government - Judicial	-	-	25,182	13
Public works	-	-	-	-
Emergency communication services	-	-	-	-
Debt service	-	-	-	-
Conservation and development	45,721	-	-	-
Total Expenditures	<u>45,721</u>	<u>23,157</u>	<u>25,182</u>	<u>13</u>
Excess of Revenue Over/(Under) Expenditures	<u>-</u>	<u>-</u>	<u>(12,673)</u>	<u>7,919</u>
Other Financing Sources/(Uses)				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Total Other Financing Sources/ (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	-	-	(12,673)	7,919
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>35,443</u>	<u>10,289</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,770</u>	<u>\$ 18,208</u>

See Independent Auditor's Report

COUNTY OF CAMBRIA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2003

	County Records Improvement Fund	HMER Fund	SHARP Fund	Total Current Year
Revenues				
Intergovernmental revenues	\$ -	\$ 18,454	\$ -	\$ 19,900,491
Charges for services	147,875	17,350	-	3,586,802
Interest and investment income	1,596	711	164	28,339
Other income	-	-	25,104	2,110,472
Total Revenues	149,471	36,515	25,268	25,626,104
Expenditures				
Human services	120,359	47,301	21,151	22,839,830
General government - Judicial	-	-	-	2,309,262
Public works	-	-	-	603,363
Emergency communication services	-	-	-	2,184,194
Debt service	-	-	-	3,778,973
Conservation and development	-	-	-	452,902
Total Expenditures	120,359	47,301	21,151	32,168,524
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	29,112	(10,786)	4,117	(6,542,420)
Other Financing Sources/(Uses)				
Operating transfers in	-	-	-	6,784,606
Operating transfers (out)	-	-	-	(173,589)
Total Other Financing Sources/ (Uses)	-	-	-	6,611,017
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	29,112	(10,786)	4,117	68,597
Fund Balance - Beginning of Year	180,517	74,356	14,840	142,643
Fund Balance - End of Year	\$ 209,629	\$ 63,570	\$ 18,957	\$ 211,240

See Independent Auditor's Report

COUNTY OF CAMBRIA  
COMBINING STATEMENT OF NET ASSETS - COMPONENT UNITS  
DECEMBER 31, 2003

	Planning Commission	Redevelopment Authority	Library Association
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 19,190	\$ 541,454	\$ 426,789
Restricted cash	-	-	-
Investments	-	-	181,483
Restricted investments	-	-	348,099
Accounts receivable	25,520	-	32,366
Due from other governments	-	220,604	-
Inventory	-	-	-
Prepaid expenses and other assets	954	102,900	11,126
Total current assets	<u>45,664</u>	<u>864,958</u>	<u>999,863</u>
<b>Non-current assets</b>			
Fixed assets (net of accumulated depreciation)	<u>4,592</u>	<u>1,903</u>	<u>838,669</u>
Total non-current assets	<u>4,592</u>	<u>1,903</u>	<u>838,669</u>
Total Assets	<u><u>\$ 50,256</u></u>	<u><u>\$ 866,861</u></u>	<u><u>\$ 1,838,532</u></u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	\$ 5,630	\$ 174,445	\$ 40,461
Deferred revenue	-	604,253	83,779
Due to other governments	-	4,643	-
Notes payable	-	-	-
Obligation under capital lease	713	-	20,222
Total current liabilities	<u>6,343</u>	<u>783,341</u>	<u>144,462</u>
<b>Non-current liabilities</b>			
Due to other governments	-	-	-
Notes payable	-	-	-
Obligation under capital lease	483	-	-
Total non-current liabilities	<u>483</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>6,826</u>	<u>783,341</u>	<u>144,462</u>
<b>NET ASSETS</b>			
Investment in fixed assets, net of related debt	3,396	1,903	818,447
Restricted	-	-	348,099
Unrestricted	<u>40,034</u>	<u>81,617</u>	<u>527,524</u>
Total Net Assets	<u>43,430</u>	<u>83,520</u>	<u>1,694,070</u>
Total Liabilities and Net Assets	<u><u>\$ 50,256</u></u>	<u><u>\$ 866,861</u></u>	<u><u>\$ 1,838,532</u></u>

See Independent Auditor's Report

Municipal Airport Authority	Transit Authority	Solid Waste Management Authority	Conservation and Recreation Authority	Area Community College	Totals
\$ 3,015	\$ 3,497,732	\$ 45,463	\$ 94,477	\$ 540,586	\$ 5,168,706
20,294	-	-	-	-	20,294
-	-	-	-	-	181,483
-	-	-	-	-	348,099
146,349	87,314	5,953	12,575	130,318	440,395
-	553,941	215,707	58,501	76,097	1,124,850
-	327,029	-	-	80,011	407,040
-	145,775	6,505	-	65,383	332,643
169,658	4,611,791	273,628	165,553	892,395	8,023,510
17,005,076	14,975,383	745,824	123,439	1,195,706	34,890,592
17,005,076	14,975,383	745,824	123,439	1,195,706	34,890,592
\$ 17,174,734	\$ 19,587,174	\$ 1,019,452	\$ 288,992	\$ 2,088,101	\$ 42,914,102
\$ 198,731	\$ 795,824	\$ 13,621	\$ 36,663	\$ 368,410	\$ 1,633,785
-	197,831	-	60,045	-	945,908
-	-	-	12,000	204,496	221,139
73,290	-	-	-	-	73,290
-	-	-	-	56,842	77,777
272,021	993,655	13,621	108,708	629,748	2,951,899
-	-	-	-	200,000	200,000
217,883	-	-	-	-	217,883
-	-	-	-	125,687	126,170
217,883	-	-	-	325,687	544,053
489,904	993,655	13,621	108,708	955,435	3,495,952
16,713,903	14,975,383	745,824	123,439	1,013,177	34,395,472
-	3,084,471	-	119	-	3,432,689
(29,073)	533,665	260,007	56,726	119,489	1,589,989
16,684,830	18,593,519	1,005,831	180,284	1,132,666	39,418,150
\$ 17,174,734	\$ 19,587,174	\$ 1,019,452	\$ 288,992	\$ 2,088,101	\$ 42,914,102

See Independent Auditor's Report

COUNTY OF CAMBRIA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN NET ASSETS - GOVERNMENTAL TYPE COMPONENT UNITS  
 FOR THE YEAR ENDED DECEMBER 31, 2003

	Redevelopment Authority	Library Association	Conservation and Recreation Authority	Total
Revenues:				
Intergovernmental revenues	\$ 3,579,518	\$1,260,129	\$ 219,976	\$ 5,059,623
County appropriations	-	552,653	69,881	622,534
Charges for services	-	39,312	-	39,312
Interest and investment income	1,214	20,880	1,007	23,101
Endowment fund contributions	-	5,009	-	5,009
Realized (loss) on investments	-	(9,667)	-	(9,667)
Unrealized (loss) on investments	-	31,557	-	31,557
Other	-	67,460	32,538	99,998
Total Revenues	<u>3,580,732</u>	<u>1,967,333</u>	<u>323,402</u>	<u>5,871,467</u>
Expenditures:				
Conservation and development	3,581,142	-	300,283	3,881,425
Culture and recreation	<u>-</u>	<u>1,843,893</u>	<u>-</u>	<u>1,843,893</u>
Total Expenditures	<u>3,581,142</u>	<u>1,843,893</u>	<u>300,283</u>	<u>5,725,318</u>
Change in Net Assets	(410)	123,440	23,119	146,149
Net Assets - Beginning of Year	83,930	1,570,630	157,165	1,811,725
Prior period adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Assets - End of Year	<u>\$ 83,520</u>	<u>\$1,694,070</u>	<u>\$ 180,284</u>	<u>\$ 1,957,874</u>

See Independent Auditor's Report



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, 2003

	Planning Commission	Municipal Airport Authority	Transit Authority
<b>Operating Revenues:</b>			
Charges for services	\$ 156,186	\$ 327,743	\$ 806,850
Intergovernmental revenues	-	38,979	855,063
Other	2,134	-	379,545
	<u>158,320</u>	<u>366,722</u>	<u>2,041,458</u>
<b>Operating Expenses:</b>			
Public works	228,584	580,539	6,716,481
Education and general	-	-	-
Depreciation	4,631	1,958,384	1,466,796
	<u>233,215</u>	<u>2,538,923</u>	<u>8,183,277</u>
<b>Total Operating Expenses</b>			
	<u>233,215</u>	<u>2,538,923</u>	<u>8,183,277</u>
<b>Operating (Loss)</b>	<u>(74,895)</u>	<u>(2,172,201)</u>	<u>(6,141,819)</u>
<b>Non-Operating Revenues/(Expenses):</b>			
Investment income	162	26	21,271
Gain/(loss) on sale of assets	-	29,650	(1,375)
Federal appropriations	-	-	1,491,320
State appropriations	-	-	2,709,822
County appropriations	45,664	184,999	452,610
Other non-operating grants	-	-	-
Other non-operating revenue	-	-	-
Interest expense	(209)	(15,436)	-
	<u>(209)</u>	<u>(15,436)</u>	<u>-</u>
<b>Total Non-Operating Revenues/ (Expenses)</b>	<u>45,617</u>	<u>199,239</u>	<u>4,673,648</u>
<b>Change in Net Assets</b>	<u>(29,278)</u>	<u>(1,972,962)</u>	<u>(1,468,171)</u>
<b>Capital contributions</b>	<u>-</u>	<u>1,156,517</u>	<u>2,171,274</u>
<b>Net Assets Beginning of Year</b>	<u>72,708</u>	<u>17,501,275</u>	<u>17,890,416</u>
<b>Prior period adjustment</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Assets - End of Year</b>	<u>\$ 43,430</u>	<u>\$ 16,684,830</u>	<u>\$ 18,593,519</u>

See Independent Auditor's Report

<u>Solid Waste Management Authority</u>	<u>Area Community College</u>	<u>Total</u>
\$ -	\$ 1,973,098	\$ 3,263,877
250,000	2,450,845	3,594,887
9,862	32,899	424,440
<u>259,862</u>	<u>4,456,842</u>	<u>7,283,204</u>
289,111	-	7,814,715
-	7,335,415	7,335,415
65,575	400,279	3,895,665
<u>354,686</u>	<u>7,735,694</u>	<u>19,045,795</u>
<u>(94,824)</u>	<u>(3,278,852)</u>	<u>(11,762,591)</u>
526	-	21,985
-	-	28,275
-	-	1,491,320
-	2,780,623	5,490,445
197,231	775,000	1,655,504
-	-	-
52	66,728	66,780
-	(5,761)	(21,406)
<u>197,809</u>	<u>3,616,590</u>	<u>8,732,903</u>
102,985	337,738	(3,029,688)
-	-	3,327,791
890,109	794,928	37,149,436
<u>12,737</u>	<u>-</u>	<u>12,737</u>
<u>\$ 1,005,831</u>	<u>\$ 1,132,666</u>	<u>\$ 37,460,276</u>

See Independent Auditor's Report