



COUNTY OF CAMBRIA
PENNSYLVANIA

Basic Financial Statements

December 31, 2014

COUNTY OF CAMBRIA

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MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

This section of the County of Cambria's annual financial report provides the reader with an introduction to the basic financial statements and an analytical overview of the financial activities for the year ended December 31, 2014. It is best understood if read in conjunction with accompanying basic financial statements, notes to the financial statements, and supplementary information.

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

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

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

FINANCIAL HIGHLIGHTS

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

- The General Fund reported an ending fund balance of (\$3.37) million, which was a decrease of \$1.65 million from 2013.
- The General Fund unassigned fund balance was (\$3.37) million, a decrease of \$1.65 million from the 2013 unassigned fund balance.
- Government-wide net position (assets plus deferred outflows less liabilities and deferred inflows) at the end of the year was \$889,761, a decrease of \$1.82 million from 2013.
- The balance of outstanding bonds and notes payable was \$48.63 million, an increase of \$15.53 million from 2013. The outstanding balance of obligations under capital leases was \$507,039, a decrease of \$21.18 million from 2013. Therefore, outstanding long-term obligations decreased by \$5.65 million from 2013.
- For calendar year 2014, the County's real property tax rate remained 29.5 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 which are substantially funded or influenced by the county. Cambria County has eleven component units – Planning Commission, Redevelopment Authority, Library Association, Municipal Airport Authority, Transit Authority, Economic Development Authority, Solid Waste Management Authority, Conservation and Recreation Authority, Pennsylvania Highlands Community College, Behavioral Health of Cambria County, and War Memorial Arena Authority.

The statement of Net Position reports all assets and deferred outflows, and liabilities and deferred inflows, both current and non-current, with the difference reported as net position. Over time, increases and decreases in net position 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 position 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, corrections, public works, human services, culture and recreation, conservation and development, emergency communication services, employee benefits, and debt service. Taxes, charges for services, and intergovernmental revenues primarily finance these services. The primary government had two business-type activities – Central Park Complex and Technology (the Technology Fund was closed on 12/31/14). Technology collected fees from providing voice, video and high speed data communications to all participating public safety agencies, in addition to providing the County government with internet services. The Central Park Complex 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 thirty-five individual governmental funds. Of these funds, five 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 Behavioral Health/Intellectual Disabilities & Early Intervention Fund, the Health Choices Fund, the Children and Youth Fund, and the Human Services Fund. The non-major funds reported in the financial statements are – Debt Service, Hotel Tax,

Redevelopment Authority, Liquid Fuels Tax, 9-1-1 Emergency Communications, Domestic Relations Office, Drug and Alcohol, Coroner Vital Statistics, Detention/Emergency Shelter, Juvenile Probation, Jail/Detention, Parks & Playgrounds, Foster Grandparents, Substance Abuse, Capital Projects, Farmland Preservation, Driving Under the Influence, Affordable Housing, Register of Wills Automation, Dirt and Gravel Road, Prothonotary Automation, Clerk of Courts Automation, Area Agency on Aging, County Records Improvement, Hazardous Materials Emergency Response Account (HMEERA), Special Hazardous Assistance Response Team (SHARP), Booking Center, Protection from Abuse, Veteran's Court Administration, and Sheriff's Automation.

Proprietary Funds:

Proprietary funds are financed and operated in a manner similar to private business enterprises in which costs are recovered primarily through user charges. Cambria County maintained two 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 previously, the County had two enterprise funds – Central Park Complex and Technology (closed 12/31/14). The County also has an internal service fund through which the activity for the health insurance plan is recorded, with each department and fund contributing to their share of the costs of providing the insurance.

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 – Non-AFDC IRS, Prison Resident, Prison Canteen, Recorder of Deeds, Register of Wills, Sheriff's Office, Office of the Prothonotary, Clerk of Courts, Domestic Relations Support, Intermediate Punishment Unit, Workers' Compensation and Retirement Trust. Fiduciary activities are reported in a manner similar to proprietary funds in a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. 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 Position

The table below summarizes the Statement of Net Position for the primary government as of December 31, 2014 and 2013.

Cambria County Primary Government Summary of Net Position December 31, 2014 and 2013							
		Governmental Activities		Business-type Activities		Total	
		<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>		
Assets:							
	Current Assets	\$22,971,419	\$21,999,638	\$ 470,638	(\$1,079,311)	\$23,442,057	\$20,920,327
	Non-current Assets	51,488,706	45,397,223	3,306,272	11,466,276	54,794,978	56,863,499
	Total Assets	<u>74,460,125</u>	<u>67,396,861</u>	<u>3,776,910</u>	<u>10,386,965</u>	<u>78,237,035</u>	<u>77,783,826</u>
Deferred Outflows:							
	Deferred Loss on Advance Refunding	680,545	---	---	---	680,545	---
	Prepaid Expenses	211,617	231,810	---	---	211,617	231,810
	Total Deferred Outflows	<u>892,162</u>	<u>231,810</u>	<u>---</u>	<u>---</u>	<u>892,162</u>	<u>231,810</u>
	Total Assets and Deferred Outflows	<u>\$75,352,287</u>	<u>\$67,628,671</u>	<u>\$3,776,910</u>	<u>\$10,386,965</u>	<u>\$79,129,197</u>	<u>\$78,015,636</u>
Liabilities:							
	Current Liabilities	24,146,612	19,751,854	426,747	696,933	24,573,359	20,448,787
	Non-current Liabilities	43,413,083	42,500,425	3,002,225	9,446,326	46,435,308	51,946,751
	Total Liabilities	<u>67,559,695</u>	<u>62,252,279</u>	<u>3,448,972</u>	<u>10,143,259</u>	<u>71,008,667</u>	<u>72,395,538</u>
Deferred Inflows:							
	Unearned Revenues	2,411,705	2,912,405	2,725	1,500	2,414,430	2,913,905
	Bond Issue Premium	4,491,126	---	325,213	---	4,816,339	---
	Total Deferred Inflows	<u>6,902,831</u>	<u>2,912,405</u>	<u>327,938</u>	<u>1,500</u>	<u>7,230,769</u>	<u>2,913,905</u>
Net Position:							
	Investment in Capital Assets, Net Of Related Debt	(204,030)	(717,571)	(357,152)	1,384,617	(561,182)	667,046
	Unrestricted	117,436	3,181,058	357,152	(1,142,411)	474,588	2,038,647
	Restricted	976,355	500	---	---	976,355	500
	Total Net Position	<u>889,761</u>	<u>2,463,987</u>	<u>---</u>	<u>242,206</u>	<u>889,761</u>	<u>2,706,193</u>
	Total Liabilities, Deferred Inflows, and Net Position	<u>\$75,352,287</u>	<u>\$67,628,671</u>	<u>\$3,776,910</u>	<u>\$10,386,965</u>	<u>\$79,129,197</u>	<u>\$78,015,636</u>

Total net position: Net position of the County's governmental activities was \$889,761, a decrease of \$1.57 million from 2013. Of this amount, \$(204,030) represents investment in capital assets, net of related debt. The unrestricted net position balance as of the end of the year was \$117,436, which represents a decrease of \$3.06 million from 2013. The County's deferred inflows exceeded deferred outflows in 2014 by \$6.34 million, to be recognized in future years. The 2014 restricted net position balance represents \$2,141 for taxes paid under protest and \$974,214 restricted by the PA Department of Transportation under PA Title 75, Chapter 90. The 2013 restricted net position represents real estate tax revenue to be used to fund the Cambria Library Association.

Net position of the County's business-type activities was \$0, a decrease of \$242,206 from 2013. Of the total net position, (\$357,152) represents investment in capital assets, net of related debt. The unrestricted net position balance at year-end was \$357,152, which represents an increase of \$1.50 million from 2013.

Government-wide Statement of Activities

The table below summarizes the changes of net position for the primary government for the period ended December 31, 2014 and 2013:

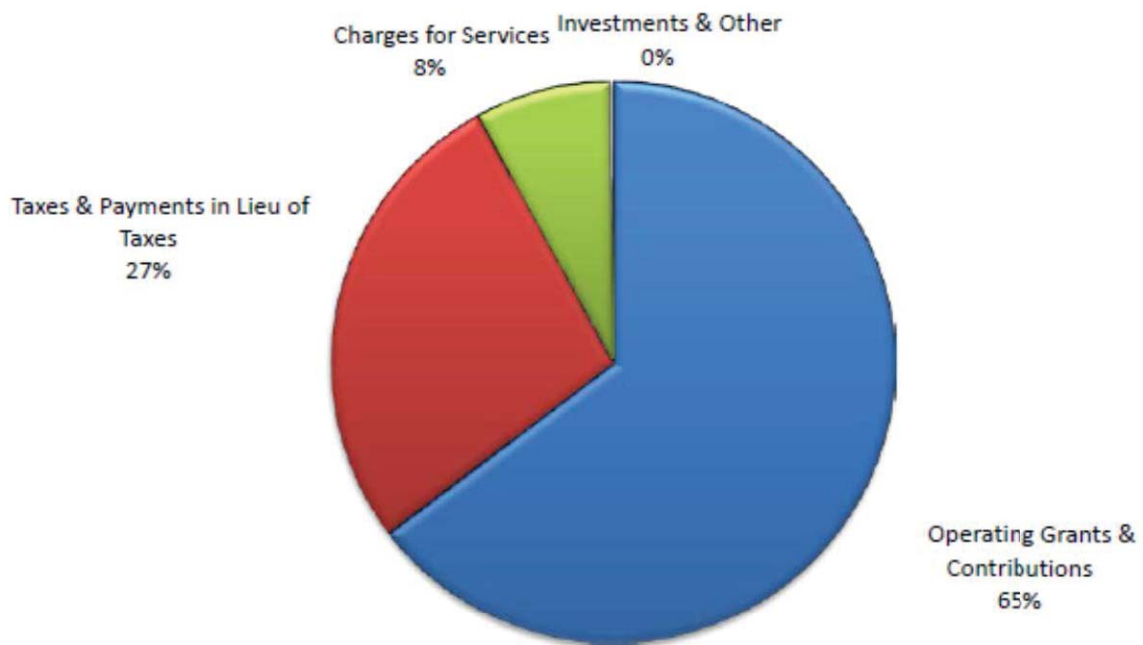
**Cambria County Primary Government
Summary of Changes in Net Position
For the Years Ended December 31, 2014 and 2013**

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program Revenues:						
Charges for Services	\$10,328,288	\$11,816,934	\$ 739,032	\$ 806,090	\$11,067,320	\$12,623,024
Operating Grants & Contributions	86,818,341	75,097,103	---	---	86,818,341	75,097,103
Capital Grants & Contributions	159,030	563,663	---	---	159,030	563,663
General Revenues:						
Taxes & Payments in Lieu of Taxes	36,758,092	36,507,371	---	---	36,758,092	36,507,371
(Loss)/Gain from Sale of Assets	27,768	(10,167)	---	---	27,768	(10,167)
Unrestricted Investment Earnings	24,660	31,206	6	6	24,666	31,212
Other Revenues	101,793	110,341	---	12,500	101,793	122,841
Total Revenues	134,217,972	124,116,451	739,038	818,596	134,957,010	124,935,047
Expenses:						
General Government-Administrative	7,818,809	11,823,956	---	---	7,818,809	11,823,956
General Government-Judicial	11,640,055	12,467,185	---	---	11,640,055	12,467,185
Public Safety	5,535,302	20,326,353	---	---	5,535,302	20,326,353
Corrections	16,931,930	---	---	---	16,931,930	---
Public Works	366,778	506,874	---	---	366,778	506,874
Human Services	74,327,797	61,304,830	---	---	74,327,797	61,304,830
Culture and Recreation	346,253	232,358	---	---	346,253	232,358
Conservation and Development	3,125,782	2,875,332	---	---	3,125,782	2,875,332
Emergency Communications Services	2,759,046	2,915,928	---	---	2,759,046	2,915,928
Employee Benefits	1,869,571	2,383,155	---	---	1,869,571	2,383,155
Debt Service	2,810,894	2,072,055	---	---	2,810,894	2,072,055
Unallocated Depreciation	2,591,887	2,626,583	---	---	2,591,887	2,626,583
Central Park Complex	---	---	885,802	915,391	885,802	915,391
Technology Fund	---	---	1,948,192	2,162,106	1,948,192	2,162,106
Total Expenses	130,124,104	119,534,609	2,833,994	3,077,497	132,958,098	122,612,106
Changes in Net Position before Transfers and Capital Contributions	4,093,968	4,581,842	(2,094,956)	(2,258,901)	1,998,912	2,322,941

Transfers in/(out) Primary Government	(2,794,168)	(2,325,636)	2,794,168	2,325,636	---	---
Transfers in/(out) Component Units	(3,815,344)	(3,470,360)	---	---	(3,815,344)	(3,470,360)
Net long-term transfers of debt & fixed asset	941,418	---	(941,418)	---	---	---
Change in Net Position	(1,574,226)	(1,214,154)	(242,206)	66,735	(1,816,432)	(1,147,419)
Net Position – Beginning of Year	2,463,987	3,913,074	242,206	273,447	2,706,193	4,186,521
Prior Period Adjustment	---	(234,933)	---	(97,976)	---	(332,909)
Net Position – Beginning of Year, as restated	2,463,987	3,678,141	242,206	175,471	2,706,193	3,853,612
Net Position – End of Year	\$ 889,761	\$2,463,987	\$ ---	\$ 242,206	\$ 889,761	\$2,706,193

Governmental activities revenues: Revenues for Cambria County’s governmental activities were \$134.2 million for the year ended December 31, 2014, an increase of 8.1% from 2013. The following pie chart reflects the sources of those revenues by percent:

Revenues by Source - Governmental Activities For the Year Ended December 31, 2014



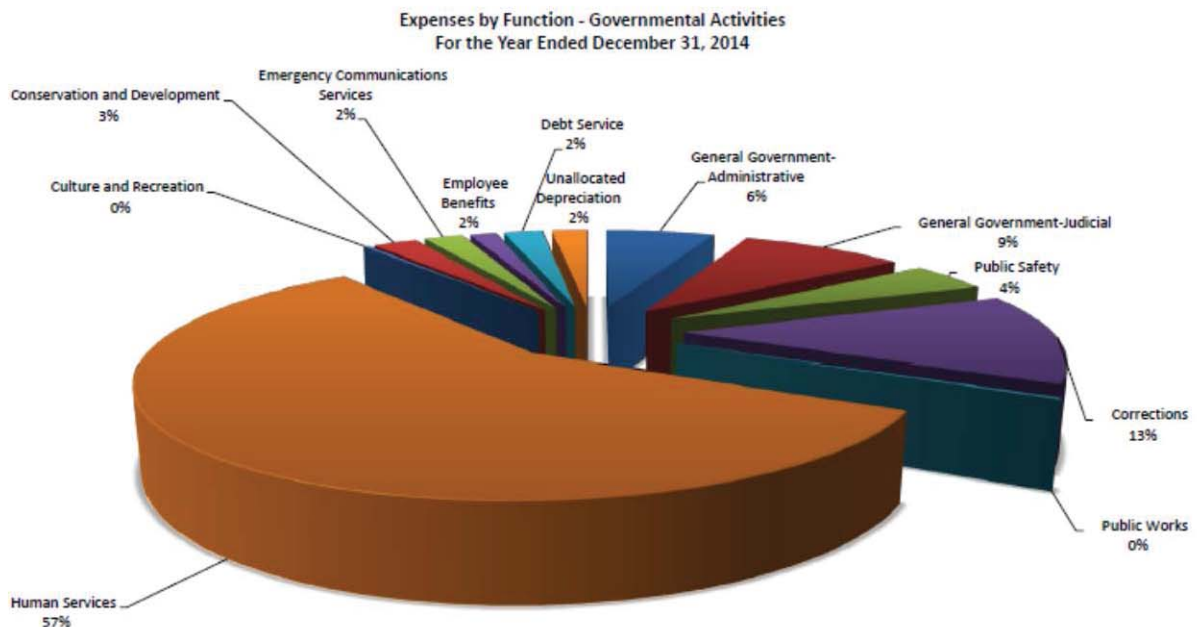
The largest source of governmental activities revenue is operating grants and contributions amounting to \$86.8 million or 64.7%. The Human Services agencies, including Behavioral Health/Intellectual Disabilities & Early Intervention, Children & Youth Services, Drug and Alcohol, Area Agency on Aging, Foster Grandparents, Human Services, and Health Choices receive the largest portion of operating grants and contributions at \$67.6 million or 77.9% of those revenues. For the most part, Human Services operating grants fund mandated services, which usually require that general fund revenue be used to fund a portion of the costs.

Taxes and payments in lieu of taxes provide the next largest source of governmental activities revenue at \$36.8 million or 27.4%. For 2014, the real estate tax rate remained 29.5 mills. Of this amount, 23.5 mills was designated for general purposes, 4.125 mills for debt service, .875 mills for the Penn Highlands Community College, 0.5 mill for the Cambria County Library System, and 0.5 mill for parks and playgrounds. Real estate taxes generated \$36.1 million in governmental activities revenue in 2014. In addition, the County levies a 3% hotel lodging tax. Proceeds from the hotel tax are used to assist in tourist promotional activities of the Cambria County Visitors and Convention Bureau. For the year ending 2014, the hotel tax receipts amounted to \$387,310. Cambria County also receives payments in lieu of taxes from various sources. The County received \$246,372 in payments in lieu of taxes in 2014.

Charges for services amounted to \$10.3 million or 7.7% of governmental activities funding sources. Charges for services include fees, fines, licenses, permits, 9-1-1 line charges, and housing revenues at the prison and the detention/shelter facility.

Investment earnings, gain from the sale of assets, capital grants and contributions, and other revenues amounted to \$313,251 or .2% of governmental activities revenue.

Governmental activities expenses: Expenses for Cambria County’s governmental activities were \$130.1 million for the year ended December 31, 2014. The chart below reflects the uses of those expenses:



As indicated by the chart, the County’s human services programs comprised the largest portion of governmental activities expenses. They amounted to \$74.3 million or 57.1% for 2014.

The general government-judicial is composed of the Court of Common Pleas, Magistrates, Constables, Driving Under the Influence Fund, Law Library, Domestic Relations, Coroner Vital Statistics, Substance Abuse, Protection from Abuse, and Veteran's Court. 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 \$11.7 million or 9.0% in 2014.

Public Safety includes Emergency Management, HEMERA, SHARP, and Sheriff's Automation. Expenses in 2014 were 4.2% or \$5.5 million.

Corrections expenses reflect costs associated with the Prison, including Adult Probation, Juvenile Court, Booking Center and Detention/Shelter. These expenses were \$16.9 million or 13.0%.

Employee Benefits were \$1.9 million or 1.4% of governmental activities expenses. This includes retiree hospitalization, workers' compensation, retiree life insurance, employer taxes, and unemployment. Most general fund employee benefits are expensed to the departmental budget.

General Government-Administrative expenses reflect costs associated with the administration of Cambria County government. These expenses were \$7.8 million or 6.0%.

Debt Service on the County's Lease Rental Indebtedness, Bonds and Notes was \$2.8 million or 2.2% of governmental activities expenses.

The remaining expenses of \$9.2 million or 7.1% were for Public Works, Culture and Recreation, Conservation and Development, Emergency Communications Services, and Unallocated Depreciation.

Funds Financial Analysis

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

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

At December 31, 2014, the General Fund reported a fund balance of (\$3.37) million, which was a decrease of \$1.65 million from the prior year's fund balance of (\$1.72) million. For 2014, expenditures and other financing uses exceeded revenues and other financing sources by \$1.65 million.

The Behavioral Health/Intellectual Disabilities & Early Intervention special revenue fund maintains no fund balance. Revenues in the fund decreased to \$9.42 million from \$9.43 million in 2013, a decrease of \$10,042 or .1%.

The Health Choices Fund maintains a zero fund balance. Revenues in the Health Choices Fund increased \$3.98 million or 12.8% from 2013.

The Children and Youth Fund also maintains a zero fund balance. The revenue for the Children and Youth Fund increased \$965,947 or 13.8% to \$7.96 million in 2014.

The Human Services Fund also maintains a zero fund balance. The revenue for the Human Services Fund increased \$8.4 million to \$8.84 million in 2014.

Proprietary Funds: In 2014, Cambria County maintained two enterprise funds. The first enterprise fund is the Central Park Complex Fund. Created in 2007, the second enterprise fund is the Technology Fund (closed 12/31/14). The fund financial statements for the business-type activity enterprise fund contain the same information as the government-wide statements, but in greater detail.

The net position of the Central Park Complex (CPC) fund was \$0 on December 31, 2014. The net position reflects that \$357,152 was unrestricted and (\$357,152) was invested in capital assets, net of related debt, netting to a zero balance in the fund.

The Technology fund handled all the computer related technology needs of Cambria County. This included a multi-service communications network that provided voice, video and high speed data communications to all participating public safety agencies. The network provided the County government with internet services. The net position of the Technology fund was \$0 on December 31, 2014. As noted previously, this fund was closed on 12/31/14.

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 Balance-Budget and Actual-General Fund in the audit report.

The original budgeted general fund revenue was \$58.1 million in 2014 and \$55.4 million in 2013. The final budgeted general fund revenue was \$60.9 million in 2014 and \$62.2 million in 2013. The actual revenue received during 2014 was \$55.4 million. The following are negative variances in final budgeted revenue to actual revenue during 2014: actual real estate tax revenue was \$2.0 million or 5.3% less than budgeted and actual interest and investment income was \$6,565 or 43.8% less than budgeted. Actual intergovernmental revenue was \$2.8 million or 19.8% less than budgeted. Actual charges for services was \$665,785 or 8.4% less than budgeted and other revenue was less than the budgeted amount by \$88,734 or 12.1%.

The original budgeted general fund expenditure amounts were \$44.7 million in 2014 and \$45.5 million in 2013. The final budgeted general fund expenditure amounts were \$47.7 million in 2014 and \$52.3 million in 2013. The actual expenditures were \$44.0 million for 2014. Positive variances were in general government – administrative for \$371,358 or 4.4%, general government – judicial for \$182,179 or 2.1%, public safety for \$515,991 or 8.6%, public works for \$87 or .01%, human services for \$481,913 or 9.5%, culture and recreation for \$264,644 or 29.8%, conservation and development for \$798,024 or 36.8%, employee benefits for \$898,008 or 32.0%, and debt service for \$189,915. Negative variances were in corrections for \$11,738 or 0.9%.

The original budgeted operating transfers in were \$924,540 in 2014 and \$335,600 in 2013. The final budgeted operating transfers in were \$992,078 in 2014 and \$405,600 in 2013. For 2014, the actual operating transfers in were \$6.2 million over budget. The original budgeted operating transfers out were \$14.1 million in 2014 and \$12.5 million in 2013. The final budgeted operating transfers out were \$14.0 million in 2014 and \$12.5 million in 2013. The actual operating transfers out were \$898,294 or 6.4% under budget in 2014.

Overall, the general fund had a deficiency of revenues and other financing sources over/(under) expenditures and other financing uses of \$1.65 million for the year ending December 31, 2014.

Capital Assets and Debt Administration

Capital Assets:

The County's investment in capital assets at December 31, 2014, net of accumulated depreciation, amounted to \$53.5 million. This was a decrease of \$2.4 million or 4.3% from the previous year. The following table summarizes the County's investment in capital assets:

Summary of Capital Assets			
	Governmental Activities	Business-type Activities	Balance at December 31, 2014
Construction-in-progress	\$ 488,226	\$ ---	\$ 488,226
Land	---	290,116	290,116
Site/land improvements	4,384,013	---	4,384,013
Infrastructure	14,725,074	---	14,725,074
Building and permanent fixtures	50,146,262	6,383,472	56,529,734
Office furniture and equipment	2,685,448	6,500	2,691,948
General equipment	4,802,628	---	4,802,628
Machinery and equipment	---	36,499	36,499
Radio equipment	13,236,989	---	13,236,989
Computer hardware and software	6,695,228	---	6,695,228
Vehicles	5,261,008	---	5,261,008
Less accumulated depreciation	(52,211,258)	(3,410,315)	(55,621,573)
Total	\$ 50,213,618	\$ 3,306,272	\$ 53,519,890

Additional detailed information on the County's capital assets can be found in Note 5 of the Notes to the Financial Statements.

Long-term Debt:

The Commonwealth of Pennsylvania Local Government Unit Debt Act governs the amount of 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, 2014, Cambria County had outstanding debt and capital lease obligations of \$49.1 million. During 2014, the County's bonds, notes and capital leases decreased by \$5.65 million or 10.3%.

Additional detailed information on the County's long-term debt can be found in Note 10 and the capital leases in Note 11 of the Notes to the Financial Statements.

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, in writing, to James Bonini, Chief Clerk, County of Cambria, 200 S. Center St., Ebensburg, PA 15931.

Independent Auditor's Report

June 19, 2015

Board of Commissioners
County of Cambria
Ebensburg, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Cambria, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the County of Cambria's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The County of Cambria's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Cambria County Planning Commission, Redevelopment Authority of Cambria County, Cambria Library Association, Johnstown-Cambria County Airport Authority, Cambria County Transit Authority, Cambria County Economic Development Authority, and Cambria County Solid Waste Management Authority, all of which are discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the component units, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Cambria Library Association, Cambria County Economic Development Authority, Cambria County Solid Waste Management Authority, Cambria County Conservation and Recreation Authority, and Behavioral Health of Cambria County, discretely presented component units, were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, based on our audit and the reports of the 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, as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of funding progress, employer contributions, changes in net pension liability and related ratios, County contributions, investment returns, and budgetary comparison information on pages III-XIV and 70-77 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our 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, and the combining and individual component unit financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have issued our separate report dated June 19, 2015, on our consideration of the County of Cambria's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Cambria's internal control over financial reporting and compliance.

Wessel & Company

WESSEL & COMPANY
Certified Public Accountants

COUNTY OF CAMBRIA
GOVERNMENT-WIDE STATEMENT OF NET POSITION
DECEMBER 31, 2014

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS:				
Current Assets:				
Cash and cash equivalents (Note 2)	\$ 5,679,632	\$ 9,726	\$ 5,689,358	\$ 18,798,221
Investments (Note 2)	-	-	-	1,297,017
Cash Held for Clients as Representative Payee and Guardianship Program (Note 17)	187,258	-	187,258	-
Receivables (net of allowance for uncollectibles)				
Accounts	4,563,866	36,106	4,599,972	390,669
Taxes (Note 3)	4,537,417	-	4,537,417	-
Due from other governments (Note 4)	8,428,052	-	8,428,052	7,482,986
Other assets	-	-	-	1,188
Internal balances (Note 1k)	(424,806)	424,806	-	-
Inventory	-	-	-	493,301
Total Current Assets	22,971,419	470,638	23,442,057	28,463,382
Non-Current Assets:				
Other assets	-	-	-	650,242
Note receivable (Note 16)	1,275,088	-	1,275,088	-
Fixed assets, net of accumulated depreciation (Note 5)	50,213,618	3,306,272	53,519,890	66,658,509
Total Non-Current Assets	51,488,706	3,306,272	54,794,978	67,308,751
DEFERRED OUTFLOWS:				
Deferred loss on advance refunding (Note 1r)	680,545	-	680,545	-
Prepaid expenses	211,617	-	211,617	815,252
Total Deferred Outflows	892,162	-	892,162	815,252
Total Assets and Deferred Outflows	\$ 75,352,287	\$ 3,776,910	\$ 79,129,197	\$ 96,587,385
LIABILITIES:				
Current Liabilities:				
Accounts payable and accrued liabilities	\$ 17,603,176	\$ 92,481	\$ 17,695,657	\$ 3,890,000
Reserved Cash Held for Clients as Representative Payee and Guardianship Program (Note 17)	187,258	-	187,258	-
Due to other governments (Note 4)	37,896	-	37,896	5,101,016
Compensated absences (Note 10 and 13)	1,743,644	11,288	1,754,932	-
Bonds and notes payable (Note 10)	3,701,934	268,066	3,970,000	1,038,978
Obligations under capital leases (Note 11)	105,520	-	105,520	164,842
Accrued interest	758,327	54,912	813,239	-
Other liabilities	8,857	-	8,857	85,594
Total Current Liabilities	24,146,612	426,747	24,573,359	10,280,430
Non-Current Liabilities:				
Compensated absences (Note 10 and 13)	474,552	6,992	481,544	-
Due to other governments (Note 4)	218,630	-	218,630	-
Bonds and notes payable (Note 10)	41,639,767	3,015,233	44,655,000	1,856,692
Estimated workers' compensation claim (Note 8 and 10)	527,637	-	527,637	-
OPEB obligation (Note 7 and 10)	150,978	-	150,978	-
Obligations under capital leases (Note 11)	401,519	-	401,519	226,498
Other liabilities	-	-	-	196,767
Total Non-Current Liabilities	43,413,083	3,022,225	46,435,308	2,279,957
DEFERRED INFLOWS:				
Unearned revenues (Note 1f)	2,411,705	2,725	2,414,430	12,290,407
Bond issue premium, net (Note 1r)	4,491,126	325,213	4,816,339	-
Total Deferred Inflows	6,902,831	327,938	7,230,769	12,290,407
NET POSITION:				
Investment in capital assets, net of related debt Unrestricted	(204,030)	(357,152)	(561,182)	63,285,905
Restricted (Note 1m)	117,436	357,152	474,588	4,572,521
Total Net Position	976,355	-	976,355	3,878,165
Total Liabilities, Deferred Inflows and Net Position	\$ 75,352,287	\$ 3,776,910	\$ 79,129,197	\$ 96,587,385

COUNTY OF CAMBRIA
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contribution	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental Activities:							
General government - administrative	\$ 7,818,809	\$ 1,858,788	\$ 2,712,224	\$ -	\$ (3,247,797)	\$ -	\$ (3,247,797)
General government - judicial	11,640,055	2,142,635	2,794,990	-	(6,702,430)	-	(6,702,430)
Public safety	5,535,302	700,312	3,258,092	-	(1,576,898)	-	(1,576,898)
Corrections	16,931,930	3,115,019	1,998,110	-	(11,818,801)	-	(11,818,801)
Public works	366,778	-	619,201	-	252,423	-	252,423
Human services	74,327,797	1,516,831	71,367,963	-	(1,443,003)	-	(1,443,003)
Culture and recreation	346,253	28,267	-	-	(317,986)	-	(317,986)
Conservation and development	3,125,782	419,311	2,367,779	-	(338,692)	-	(338,692)
Emergency communication services	2,759,046	547,125	1,699,982	159,030	(352,909)	-	(352,909)
Employee benefits	1,869,571	-	-	-	(1,869,571)	-	(1,869,571)
Debt service	2,810,894	-	-	-	(2,810,894)	-	(2,810,894)
Unallocated depreciation and amortization	2,591,887	-	-	-	(2,591,887)	-	(2,591,887)
Total Governmental Activities	130,124,104	10,328,288	86,818,341	159,030	(32,818,445)	-	(32,818,445)
Business-type Activities:							
Central Park Complex	885,802	708,425	-	-	-	(177,377)	(177,377)
Technology Fund	1,948,192	30,607	-	-	-	(1,917,585)	(1,917,585)
Total Business-type Activities	2,833,994	739,032	-	-	-	(2,094,962)	(2,094,962)
Total Primary Government	\$ 132,958,098	\$ 11,067,320	\$ 86,818,341	\$ 159,030	\$ (32,818,445)	\$ (2,094,962)	\$ (34,913,407)

General Revenues:

Taxes:							
Property Taxes, Levied for General Purposes		\$ 29,457,435			\$ -	\$ 29,457,435	
Property Taxes, Levied for Debt Retirement		5,016,989			-	5,016,989	
Property Taxes, Levied for Community College		1,040,448			-	1,040,448	
Property Taxes, Levied for County Library		609,538			-	609,538	
Payments in Lieu of Taxes		246,372			-	246,372	
County Hotel Lodging Taxes		387,310			-	387,310	
Gain/(loss) from Sale of Assets		27,768			-	27,768	
Transfers in/(out) primary government		(2,794,168)			2,794,168	-	-
Net long-term transfers of debt and fixed assets		941,418			(941,418)	-	-
Transfers in/(out) component units		(3,815,344)			-	(3,815,344)	
Unrestricted Investment Earnings		24,660			6	24,666	
Other Revenues		101,793			-	101,793	
Total General Revenues and Transfers		31,244,219			1,852,756	33,096,975	
Total Change in Net Position		(1,574,226)			(242,206)	(1,816,432)	
Net Position - Beginning of Year		2,463,987			242,206	2,706,193	
Net Position - End of Year		\$ 889,761			\$ -	\$ 889,761	

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

COUNTY OF CAMBRIA
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014

Component Units:	Functions/Programs	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Expenses	Charges for Services	Operating Grants and Contribution	
	Governmental Activities:				
	Redevelopment Authority	\$ 2,395,930	\$ 69,193	\$ 2,097,107	\$ (229,630)
	Library Association	1,759,761	55,139	866,317	(838,305)
	Conservation and Recreation Authority	204,258	-	18,147	(186,111)
	Total Component Unit Governmental Activities	4,359,949	124,332	2,981,571	(1,254,046)
	Business-type Activities:				
	Planning Commission	265,430	230,366	-	(35,064)
	Municipal Airport Authority	1,675,651	370,345	-	(1,305,306)
	Transit Authority	11,103,415	1,052,843	7,525,373	(2,525,199)
	Economic Development Authority	89,923	-	-	(89,923)
	Solid Waste Management Authority	486,584	164	70,526	(415,894)
	Community College	12,699,526	7,452,972	4,326,501	(920,053)
	Behavioral Health of Cambria County	32,197,385	12,570	32,340,269	155,454
	War Memorial Arena Authority	1,638,934	1,378,594	-	(260,340)
	Total Component Unit Business-type Activities	60,156,848	10,497,854	44,262,669	(5,396,325)
	Total Component Units	\$ 64,516,797	\$ 10,622,186	\$ 47,244,240	\$ (6,650,371)
	General Revenues:				
	(Loss) from Sale of Assets				\$ (10,303)
	Unrestricted Investment Earnings				78,134
	Other Revenues				1,571,295
	Transfers from Primary Government				3,815,344
	Total General Revenues and Transfers				5,454,470
	Change in Net Position Before Capital Contributions				(1,195,901)
	Capital Contributions				16,940,083
	Total Change in Net Position				15,744,182
	Net Position - Beginning of Year				55,177,340
	Prior Period Adjustment				815,069
	Net Position - Beginning of Year, as restated				55,992,409
	Net Position - End of Year				\$ 71,736,591

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 POSITION OF GOVERNMENTAL ACTIVITIES)
DECEMBER 31, 2014

	Major Funds					Other Nonmajor Governmental Funds	Totals
	General	Behavioral Health/ Intellectual Disabilities & Early Intervention	Health Choices Fund	Children and Youth Fund	Human Services Fund		
ASSETS:							
Cash and cash equivalents	\$ 1,044,277	\$ 26,287	\$ 1	\$ -	\$ 1,422	\$ 2,830,935	\$ 3,902,922
Cash Held for Clients as Representative Payee and Guardianship Program (Note 17)	-	-	-	6,496	-	180,762	187,258
Receivables (net of allowance for uncollectibles)							
Accounts	1,342,393	38,376	-	-	-	251,862	1,632,631
Taxes	4,537,417	-	-	-	-	-	4,537,417
Due from other governments	106,192	289,063	5,479,665	1,621,539	-	901,722	8,398,181
Due from other funds (Note 1k)	7,654,394	1,493,455	-	-	71,116	3,121,998	12,340,963
Total Assets	14,684,673	1,847,181	5,479,666	1,628,035	72,538	7,287,279	30,999,372
DEFERRED OUTFLOWS:							
Prepaid expenses	201,895	-	-	9,722	-	-	211,617
Total Assets and Deferred Outflows	\$ 14,886,568	\$ 1,847,181	\$ 5,479,666	\$ 1,637,757	\$ 72,538	\$ 7,287,279	\$ 31,210,989
LIABILITIES:							
Accounts payable and accrued liabilities	\$ 7,414,686	\$ 1,263,962	\$ 5,479,666	\$ 1,017,544	\$ 40,598	\$ 1,619,996	\$ 16,836,452
Reserved Cash Held for Clients as Representative Payee and Guardianship Program (Note 17)	-	-	-	6,496	-	180,762	187,258
Other liabilities	8,857	-	-	-	-	-	8,857
Due to other governments	-	-	-	31,847	-	-	31,847
Due to other funds (Note 1k)	6,770,520	-	-	499,690	-	1,556,897	8,827,107
Total Liabilities	14,194,063	1,263,962	5,479,666	1,555,577	40,598	3,357,655	25,891,521
DEFERRED INFLOWS:							
Unearned revenues	4,064,796	583,219	-	82,180	31,940	1,099,280	5,861,415
FUND BALANCE							
Unassigned fund balance/(deficit)	(3,374,432)	-	-	-	-	(661,911)	(4,036,343)
Assigned fund balance	-	-	-	-	-	2,518,041	2,518,041
Restricted (Note 1)	2,141	-	-	-	-	974,214	976,355
Total Fund Balance	(3,372,291)	-	-	-	-	2,830,344	(541,947)
Total Liabilities, Deferred Inflows and Fund Balance	\$ 14,886,568	\$ 1,847,181	\$ 5,479,666	\$ 1,637,757	\$ 72,538	\$ 7,287,279	\$ 31,210,989

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

Long-term liabilities, including bonds payable, other post-employment benefits, accrued interest on bonds, compensated absences, and certain amounts due to other governments are not due and payable in the current period and therefore are not reported as a fund liability. The difference in net position between full accrual accounting and modified accrual accounting due to differing revenue recognition criteria between the two methods. Capital assets in governmental activities are not financial resources and, therefore, are not reported in the funds. Notes receivable recorded as cash outlays in the funds. Adjustment to eliminate change in net position of internal service fund within governmental activities. Net position of governmental activities

(52,582,715)
3,449,710
50,213,618
324,714
26,381
\$ 889,761

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, 2014

	Major Funds						Totals
	General	Behavioral Health/ Intellectual Disabilities & Early Intervention	Health Choices Fund	Children and Youth Fund	Human Services Fund	Other Nonmajor Governmental Funds	
Revenues							
Real estate taxes	\$ 36,273,997	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,273,997
Charges for services	7,226,622	1,147,989	-	163,199	-	1,464,104	10,001,914
Interest and investment income	8,435	1,019	16	-	192	14,998	24,660
Intergovernmental revenues	11,213,715	8,266,671	35,070,268	7,796,460	8,836,168	14,323,549	85,506,831
Other income	645,349	123	-	150	-	1,698,698	2,344,320
Total Revenues	55,368,118	9,415,802	35,070,284	7,959,809	8,836,360	17,501,349	134,151,722
Expenditures							
General government - administrative	8,099,980	-	-	-	-	11,710	8,111,690
General government - judicial	8,342,103	-	-	-	-	3,338,152	11,680,255
Public safety	5,493,348	-	-	-	-	47,061	5,540,409
Corrections	12,418,069	-	-	-	-	4,811,174	17,229,243
Public works	1,099,520	-	-	-	-	517,282	1,616,802
Human services	4,588,087	9,787,434	35,070,284	9,426,023	8,836,360	8,088,372	75,796,560
Culture and recreation	624,500	-	-	-	-	654,313	1,278,813
Conservation and development	1,372,927	-	-	-	-	2,448,247	3,821,174
Employee benefits	1,912,737	-	-	-	-	-	1,912,737
Emergency communication services	-	-	-	-	-	2,929,505	2,929,505
Debt service	32,334	-	-	-	-	3,882,349	3,914,683
Total Expenditures	43,983,605	9,787,434	35,070,284	9,426,023	8,836,360	26,728,165	133,831,871
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	11,384,513	(371,632)	-	(1,466,214)	-	(9,226,816)	319,851
Other Financing Sources/(Uses)							
Proceeds from bond refunding	-	-	-	-	-	45,341,701	45,341,701
Proceeds from bond premium	-	-	-	-	-	4,783,717	4,783,717
Payments for refunding	-	-	-	-	-	(35,903,650)	(35,903,650)
Payment to refunding escrow agent	-	-	-	-	-	(6,871,930)	(6,871,930)
Bond issuance costs	-	-	-	-	-	(524,873)	(524,873)
Prepayment penalty	-	-	-	-	-	(467,948)	(467,948)
Transfer to Technology fund for refunding	-	-	-	-	-	(6,147,048)	(6,147,048)
Net long-term operating transfer from Technology Fund - offset	(7,088,466)	-	-	-	-	-	(7,088,466)
Operating transfers in	7,148,958	371,632	-	1,466,214	-	8,774,117	17,760,921
Operating transfers (out)	(13,093,537)	-	-	-	-	(373,086)	(13,466,623)
Total Other Financing Sources/(Uses)	(13,033,045)	371,632	-	1,466,214	-	8,611,000	(2,584,199)
(Deficiency)/Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(1,648,532)	-	-	-	-	(615,816)	(2,264,348)
Fund Balance/(Deficit) - Beginning of Year	(1,723,759)	-	-	-	-	3,446,160	1,722,401
Fund Balance/(Deficit) - End of Year	\$ (3,372,291)	\$ -	\$ -	\$ -	\$ -	\$ 2,830,344	\$ (541,947)

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, 2014

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

Net change in fund balance - total governmental funds (page 8)	\$ (2,264,348)
The portion of accrued wages and benefits in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds (compensated absences, workers' compensation, etc.)	72,164
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 position. This amount is the net effect of the differences in the treatment of long-term debt on the statement of activities	(4,906,592)
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	(346,636)
The Other Post Employment Benefit (OPEB) obligation in the statement of activities do no require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(98,452)
The difference in the change in net position between full accrual accounting and modified accrual accounting due to differing revenue recognition criteria between the two accounting methods	96,785
The net effect of various transactions involving capital assets, (i.e. purchases, disposals, depreciation, etc.) is to increase net position	5,766,769
Notes receivable recorded as cash outlays in the funds	324,714
Long-term liability to component unit	<u>(218,630)</u>
Change in net position of governmental activities (page 5)	<u><u>\$ (1,574,226)</u></u>

COUNTY OF CAMBRIA
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 DECEMBER 31, 2014

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities</u>
	<u>Central Park Complex</u>	<u>Technology Fund</u>	<u>Total</u>	<u>Internal Service</u>
<u>ASSETS AND DEFERRED OUTFLOWS</u>				
Current Assets				
Cash and cash equivalents	\$ 7,925	\$ 1,801	\$ 9,726	\$ 1,776,710
Accounts receivable	36,106	-	36,106	2,931,235
Due from other funds	376,322	48,484	424,806	-
Total Current Assets	420,353	50,285	470,638	4,707,945
Non-current Assets				
Fixed assets (net of accumulated depreciation and amortization)	3,306,272	-	3,306,272	-
Total Assets and Deferred Outflows	<u>\$ 3,726,625</u>	<u>\$ 50,285</u>	<u>\$ 3,776,910</u>	<u>\$ 4,707,945</u>
<u>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</u>				
Current Liabilities				
Accounts payable and accrued liabilities	\$ 42,196	\$ 50,285	\$ 92,481	\$ 766,724
Accrued interest	54,912	-	54,912	-
Compensated absences	11,288	-	11,288	-
Bonds and notes payable	268,066	-	268,066	-
Due to other governments	-	-	-	6,049
Due to other funds	-	-	-	3,908,791
Total Current Liabilities	376,462	50,285	426,747	4,681,564
Non-current Liabilities				
Compensated absences	6,992	-	6,992	-
Bonds and notes payable	3,015,233	-	3,015,233	-
Total Non-current Liabilities	3,022,225	-	3,022,225	-
Deferred Inflows				
Unearned revenue	2,725	-	2,725	-
Bond issue premium, net	325,213	-	325,213	-
Total Deferred Inflows	327,938	-	327,938	-
Net Position				
Investment in capital assets, net of related debt	(357,152)	-	(357,152)	-
Unrestricted	357,152	-	357,152	26,381
Total Net Position	-	-	-	26,381
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 3,726,625</u>	<u>\$ 50,285</u>	<u>\$ 3,776,910</u>	<u>\$ 4,707,945</u>

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

COUNTY OF CAMBRIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Business-type Activities - Enterprise Funds			Governmental Activities
	Central Park Complex	Technology Fund	Total	Internal Service
Operating Revenues:				
Charges for service	\$ -	\$ 30,607	\$ 30,607	\$ 10,276,130
Rental income	708,425	-	708,425	-
Total Operating Revenues	<u>708,425</u>	<u>30,607</u>	<u>739,032</u>	<u>10,276,130</u>
Operating Expenses:				
Depreciation and amortization	220,523	915,938	1,136,461	-
Maintenance and operating	538,393	787,579	1,325,972	10,282,137
Total Operating Expenses	<u>758,916</u>	<u>1,703,517</u>	<u>2,462,433</u>	<u>10,282,137</u>
Operating Income/(Loss)	(50,491)	(1,672,910)	(1,723,401)	(6,007)
Non-Operating Revenues/(Expenses):				
Investment income	6	-	6	6,007
Interest expense	(126,886)	(140,816)	(267,702)	-
Total Non-Operating Revenues/(Expenses)	<u>(126,880)</u>	<u>(140,816)</u>	<u>(267,696)</u>	<u>6,007</u>
Income/(Loss) Before Transfers	(177,371)	(1,813,726)	(1,991,097)	-
Other Financing Sources/(Uses):				
Bond issuance costs	(38,007)	-	(38,007)	-
Prepayment penalty	(65,852)	-	(65,852)	-
Transfer from Debt Service Fund for refunding	-	6,147,048	6,147,048	-
Operating transfers in	281,230	2,512,938	2,794,168	-
Operating transfers (out)	-	(7,088,466)	(7,088,466)	-
Total Other Financing Sources/(Uses)	<u>177,371</u>	<u>1,571,520</u>	<u>1,748,891</u>	<u>-</u>
Change in Net Position	-	(242,206)	(242,206)	-
Net Position - Beginning of Year	-	242,206	242,206	26,381
Net Position - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,381</u>

COUNTY OF CAMBRIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Business-type Activities - Enterprise Funds			Governmental Activities
	Central Park Complex	Technology Fund	Total	Internal Service
Cash Flows From Operating Activities				
Cash received from customers	\$ 690,523	\$ 29,107	\$ 719,630	\$ -
Cash received from interfund services provided	-	-	-	8,471,704
Cash received from provider	-	-	-	139,400
Cash payments to employees for services	(162,601)	-	(162,601)	-
Cash payments to suppliers for goods and services	(354,518)	(759,692)	(1,114,210)	(10,798,712)
Net Cash (Used For)/Provided By Operating Activities	<u>173,404</u>	<u>(730,585)</u>	<u>(557,181)</u>	<u>(2,187,608)</u>
Cash Flows From Non-Capital Financing Activities				
Transfers in from other funds	281,230	2,512,938	2,794,168	-
Net Cash Provided By Non-Capital Financing Activities	<u>281,230</u>	<u>2,512,938</u>	<u>2,794,168</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities				
Purchase of property and equipment	(12,433)	(52,490)	(64,923)	-
Payment on debt (net)	(55,683)	(318,324)	(374,007)	-
Interest paid	(127,925)	(140,816)	(268,741)	-
Net (decrease)/increase in interfund payables	(250,947)	(1,270,616)	(1,521,563)	1,372,164
Net Cash (Used For)/Provided By Capital and Related Financing Activities	<u>(446,988)</u>	<u>(1,782,246)</u>	<u>(2,229,234)</u>	<u>1,372,164</u>
Cash Flows From Investing Activities				
Interest on cash equivalents	6	-	6	6,007
Net Cash Provided By Investing Activities	<u>6</u>	<u>-</u>	<u>6</u>	<u>6,007</u>
Net (Decrease)/Increase in Cash and Cash Equivalents	7,652	107	7,759	(809,437)
Cash and Cash Equivalents Beginning of Year	<u>273</u>	<u>1,694</u>	<u>1,967</u>	<u>2,586,147</u>
Cash and Cash Equivalents at End of Year	<u>\$ 7,925</u>	<u>\$ 1,801</u>	<u>\$ 9,726</u>	<u>\$ 1,776,710</u>

COUNTY OF CAMBRIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Business-type Activities - Enterprise Funds			Governmental Activities
	Central Park Complex	Technology Fund	Total	Internal Service
Reconciliation of Operating Income to Net Cash (Used For)/Provided By Operating Activities:				
Operating Income/(Loss)	\$ (50,491)	\$ (1,672,910)	\$ (1,723,401)	\$ (6,007)
Adjustments to reconcile operating income to net cash provided by/(used in) operating activities:				
Depreciation	220,523	915,938	1,136,461	-
Changes in assets, deferred outflows, liabilities and deferred inflows:				
Decrease/(Increase) in accounts receivable	(20,627)	-	(20,627)	(1,665,026)
(Decrease)/Increase in accounts payable and accrued liabilities	19,770	27,887	47,657	(516,575)
Increase in unearned revenue	2,725	(1,500)	1,225	-
Increase in accrued vacation	1,504	-	1,504	-
Total Adjustments	<u>223,895</u>	<u>942,325</u>	<u>1,166,220</u>	<u>(2,181,601)</u>
Net Cash (Used For)/Provided By Operating Activities	<u>\$ 173,404</u>	<u>\$ (730,585)</u>	<u>\$ (557,181)</u>	<u>\$ (2,187,608)</u>

COUNTY OF CAMBRIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2014

	<u>Non-AFDC IRS Fund</u>	<u>Prison Resident Fund</u>	<u>Prison Canteen Fund</u>	<u>Recorder of Deeds</u>
<u>ASSETS AND DEFERRED OUTFLOWS</u>				
Assets				
Cash and cash equivalents	\$ 10,626	\$ 48,121	\$ 89,202	\$ 480,058
Investments	-	-	-	-
Accounts receivable	-	-	5,562	185
Due from other governments	-	-	4,209	-
Total Assets and Deferred Outflows	<u>\$ 10,626</u>	<u>\$ 48,121</u>	<u>\$ 98,973</u>	<u>\$ 480,243</u>
<u>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</u>				
Liabilities				
Due to other governments	\$ -	\$ 8,142	\$ 6,440	\$ 467,090
Other liabilities	10,626	39,979	19,374	13,153
Due to other funds	-	-	-	-
Total Liabilities	<u>10,626</u>	<u>48,121</u>	<u>25,814</u>	<u>480,243</u>
Net Position				
Restricted (Note 1m)	-	-	73,159	-
Total Net Position	<u>-</u>	<u>-</u>	<u>73,159</u>	<u>-</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 10,626</u>	<u>\$ 48,121</u>	<u>\$ 98,973</u>	<u>\$ 480,243</u>

COUNTY OF CAMBRIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2014

	<u>Register of Wills</u>	<u>Sheriff's Office</u>	<u>Office of the Prothonotary</u>
<u>ASSETS AND DEFERRED OUTFLOWS</u>			
Assets			
Cash and cash equivalents	\$ 70,196	\$ 261,923	\$ 439,261
Investments	-	-	-
Accounts receivable	-	-	-
Due from other governments	-	-	-
	<u>70,196</u>	<u>261,923</u>	<u>439,261</u>
Total Assets and Deferred Outflows	<u>\$ 70,196</u>	<u>\$ 261,923</u>	<u>\$ 439,261</u>
<u>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</u>			
Liabilities			
Due to other governments	\$ 43,432	\$ 66,888	\$ 22,554
Other liabilities	26,764	195,035	416,707
Due to other funds	-	-	-
	<u>70,196</u>	<u>261,923</u>	<u>439,261</u>
Total Liabilities	<u>70,196</u>	<u>261,923</u>	<u>439,261</u>
Net Position			
Restricted (Note 1m)	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Net Position	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 70,196</u>	<u>\$ 261,923</u>	<u>\$ 439,261</u>

COUNTY OF CAMBRIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2014

	Clerk of Courts	Domestic Relations Support	Intermediate Punishment Unit
<u>ASSETS AND DEFERRED OUTFLOWS</u>			
Assets			
Cash and cash equivalents	\$ 747,785	\$ 175,517	\$ 101,662
Investments	-	-	-
Accounts receivable	-	-	-
Due from other governments	-	-	-
	<u>\$ 747,785</u>	<u>\$ 175,517</u>	<u>\$ 101,662</u>
Total Assets and Deferred Outflows	<u>\$ 747,785</u>	<u>\$ 175,517</u>	<u>\$ 101,662</u>
<u>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</u>			
Liabilities			
Due to other governments	\$ 409,018	\$ -	\$ -
Other liabilities	338,767	175,517	101,662
Due to other funds	-	-	-
	<u>747,785</u>	<u>175,517</u>	<u>101,662</u>
Total Liabilities	<u>747,785</u>	<u>175,517</u>	<u>101,662</u>
Net Position			
Restricted (Note 1m)	<u>-</u>	<u>-</u>	<u>-</u>
Total Net Position	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 747,785</u>	<u>\$ 175,517</u>	<u>\$ 101,662</u>

COUNTY OF CAMBRIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2014

	<u>Workers' Compensation Trust Fund</u>	<u>Retirement Trust Fund</u>	<u>Total</u>
<u>ASSETS AND DEFERRED OUTFLOWS</u>			
Assets			
Cash and cash equivalents	\$ -	\$ 3,552,946	\$ 5,977,297
Investments	765,676	185,276,150	186,041,826
Accounts receivable	5,904	371,679	383,330
Due from other governments	-	-	4,209
<u>Total Assets and Deferred Outflows</u>	<u>\$ 771,580</u>	<u>\$ 189,200,775</u>	<u>\$ 192,406,662</u>
<u>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</u>			
Liabilities			
Due to other governments	\$ -	\$ -	\$ 1,023,564
Other liabilities	717	102,466	1,440,767
Due to other funds	-	29,871	29,871
<u>Total Liabilities</u>	<u>717</u>	<u>132,337</u>	<u>2,494,202</u>
Net Position			
<u>Restricted (Note 1m)</u>	<u>770,863</u>	<u>189,068,438</u>	<u>189,912,460</u>
<u>Total Net Position</u>	<u>770,863</u>	<u>189,068,438</u>	<u>189,912,460</u>
<u>Total Liabilities, Deferred Inflows and Net Position</u>	<u>\$ 771,580</u>	<u>\$ 189,200,775</u>	<u>\$ 192,406,662</u>

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

COUNTY OF CAMBRIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
WORKERS' COMPENSATION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

Revenues		
Interest income	\$	24,774
Net appreciation in fair value of investments		<u>17,925</u>
Total Revenues		<u>42,699</u>
Expenses		
Operating expenses		<u>2,822</u>
Total Expenses		<u>2,822</u>
Excess/(Deficiency) of Revenues Over Other Financing Sources/(Uses)		39,877
Net Position:		
Beginning of Year		<u>730,986</u>
End of Year	\$	<u><u>770,863</u></u>

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

COUNTY OF CAMBRIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
RETIREMENT TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

Additions

Contributions:

Employer	\$ 2,313,521
Employee	<u>2,697,915</u>

Total Contributions	<u>5,011,436</u>
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Investment Income:

Interest	999,822
Dividends	2,748,512
Net appreciation in fair value of investments	<u>8,910,586</u>

12,658,920

Less: Investment expense	<u>573,194</u>
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Net investment income	<u>12,085,726</u>
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Total Additions	<u>17,097,162</u>
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Deductions

Benefits	12,137,385
Administrative expenses	<u>60,212</u>

Total Deductions	<u>12,197,597</u>
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Increase in Net Position	4,899,565
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Net Position:

Beginning of Year	<u>184,168,873</u>
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End of Year	<u><u>\$ 189,068,438</u></u>
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See Independent Auditor's Report and
Accompanying Notes to Financial Statements

COUNTY OF CAMBRIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

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, corrections, conservation and development, culture and recreation, and human services programs.

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

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

a. Financial Reporting Entity

The County follows the Statement of Governmental Accounting Standards Board No. 61, "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 include whether:

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

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

Cambria County Planning Commission

The members of the governing board of the Cambria County Planning Commission are appointed by the Board of County Commissioners. The County provides financial support through its obligation to fund deficits. In addition, the County must approve any issuance of debt. The reporting period for the Cambria County Planning Commission is June 30, 2014.

Redevelopment Authority of Cambria County

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

Cambria Library Association

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

Johnstown-Cambria County Airport Authority

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

Cambria County Transit Authority

The members of the governing board of the Cambria County Transit Authority are appointed by the Board of County Commissioners. The County provides financial support through its obligation to fund deficits. In addition, the County must approve any issuance of debt. The reporting period for the Cambria County Transit Authority is June 30, 2014.

Cambria County Economic Development Authority

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

Cambria County Solid Waste Management Authority

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

Cambria County Conservation and Recreation Authority

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

Pennsylvania Highlands Community College

The members of the governing board of the Pennsylvania Highlands Community College are appointed by the Board of County Commissioners. The County provides financial support through its obligation to fund deficits. In addition, the County must approve any issuance of debt. The reporting period for the Pennsylvania Highlands Community College is June 30, 2014.

Cambria County War Memorial Arena Authority

The County provides financial support through its obligation to fund deficits. In addition, the County must approve any issuance of debt. The reporting period for the Cambria County War Memorial Arena Authority is June 30, 2014.

Behavioral Health of Cambria County

The members of the governing board of Behavioral Health of Cambria County are appointed by the Board of County Commissioners. The County provides financial support through its obligation to fund deficits. The reporting period for the Behavioral Health of Cambria County is June 30, 2014.

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

Administrative Offices:

Cambria County Planning Commission
PO Box 89
Ebensburg, PA 15931

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

Cambria Library Association
248 Main Street
Johnstown, PA 15901

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

Cambria County Transit Authority
726 Central Avenue
Johnstown, PA 15931

Cambria County Economic Development Authority
479 Airport Road
Johnstown, PA 15904

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

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

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

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

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

Related Organizations

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

- Cambria County General Financing Authority
- Cambria County Industrial Development Authority
- 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 position 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 position 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 position 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 deferred outflows, and liabilities and deferred inflows, 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.

Behavioral Health/Intellectual Disabilities & Early Intervention Programs

The Behavioral Health/Intellectual Disabilities & Early Intervention Programs both receive the majority of their funding from the PA Department of Human Services. This funding is both state and federal monies. The Behavioral Health program provides behavioral health services such as outpatient, partial hospitalization, and residential to Cambria County residents. The Intellectual Disabilities program provides services to clients with intellectual disabilities through residential placement.

Health Choices Fund

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

Children and Youth Fund

The PA Department of Human Services 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.

Human Services Fund

The PA Department of Human Services 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. Area Agency on Aging, Children and Youth, Drug and Alcohol, and Behavioral Health/Intellectual Disabilities & Early Intervention).

The other governmental funds of the County account for grants and other resources whose use is assigned 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 position, 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:

Central Park Complex Fund

The County owns the building called "Central Park Complex" in downtown Johnstown. The County collects rents from tenants in the building (e.g. Human Services Programs such as Area Agency on Aging, Behavioral Health/Intellectual Disabilities & Early Intervention, Children and Youth, and Drug and 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.

Technology Fund

The Technology fund handles all the computer related technology needs of Cambria County. This includes a multi-service communications network that provides voice, video and high speed data communications to all participating public safety agencies. The network provides the County government with internet services. The staff assigned to this fund oversee the entire communications network for the County including all computer, switches and network connections.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. 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, deferred outflows, liabilities, and deferred inflows

(whether current or non-current) are included on the balance sheet and the operating statements present increases (revenues) and decreases (expenses) in total net position. 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.

The County and its component units apply all GASB pronouncements and all Financial Accounting Standards Board (FASB) Accounting Standards Codification, unless they conflict with GASB pronouncements.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows and current liabilities and deferred inflows 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 position. The statement of changes in revenues, expenses, and changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows reflects how the County finances and meets the cash flow needs of its enterprise activities.

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

e. Basis of Accounting for Component Units

Cambria County Planning Commission

The Cambria County Planning Commission's financial statements are presented on the full accrual basis in accordance with accounting principles generally accepted in the United States of America (GAAP). The Commission applies all Governmental Accounting Standards Board

(GASB) pronouncements. All activities of the Commission are accounted for within a single proprietary (enterprise) fund.

Redevelopment Authority of Cambria County

The Redevelopment Authority of Cambria County's financial statements are prepared in accordance with generally accepted accounting principles. The activities of the Authority are accounted for within a general fund, special revenue funds, and one business-type activities fund. The government-wide financial statements and proprietary fund financial statements are prepared using the accrual basis of accounting. The governmental fund financial statements are prepared on the modified accrual basis of accounting.

Cambria Library Association

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

Johnstown-Cambria County Airport Authority

The Johnstown-Cambria County Airport Authority's financial statements are presented on the accrual basis in accordance with accounting principles generally accepted in the United States of America (GAAP). The activities of the Authority are accounted for within a single proprietary (enterprise) fund. An enterprise fund is used to account for operations, which are financed and operated in a manner similar to private business enterprises, 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.

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.

Cambria County Economic Development Authority

The Cambria County Economic Development Authority's financial statements are presented on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The Authority applies all Governmental Accounting Standards Board (GASB) pronouncements. The activities of the Authority are accounted for within a single proprietary (enterprise) fund. The enterprise fund is accounted for on a flow of economic resources measurement focus.

Cambria County Solid Waste Management Authority

The financial statements of the Cambria County Solid Waste Management Authority have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. 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.

Cambria County Conservation and Recreation Authority

The Cambria County Conservation and Recreation Authority's financial statements are accounted for using the accrual basis of accounting. Under this method, revenues are recognized when received, unless they are susceptible to accrual, and expenses are recognized when incurred. The accounts of the Authority are organized on the basis of a proprietary fund type, specifically an enterprise fund.

Pennsylvania Highlands Community College

The Pennsylvania Highlands Community College's financial statements are reported using the economic resources measurement focus and presented on the full accrual basis in accordance with Generally Accepted Accounting Principles (GAAP). The College applies all Governmental Accounting Standards Board (GASB) pronouncements. All activities of the College are accounted for within a single proprietary (enterprise) fund.

Cambria County War Memorial Arena Authority

The Cambria County War Memorial Arena Authority's financial statements are presented on the full accrual basis in accordance with Generally Accepted Accounting Principles (GAAP). The Authority applies all Governmental Accounting Standards Board (GASB) pronouncements. All activities of the Authority are accounted for within a single proprietary (enterprise) fund.

Behavioral Health of Cambria County

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

f. Unearned Revenues

Unearned 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, 2014, but were levied to finance 2014 operations, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements were met have also been recorded as unearned revenue.

On governmental fund financial statements, receivables that were not collected within the available period are recorded as unearned 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 County Finance Director assembles the preliminary projections of revenues and expenditures into a formal budget incorporating any revisions or adjustments resulting from the Commissioners' review.
3. Public hearings are conducted on the proposed budget. The proposed budget is available for public inspection for 20 days prior to final adoption.
4. After the 20-day inspection period, but prior to December 31, the County Commissioners adopt the final budget by enacting an appropriate resolution.
5. 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 by the County Commissioners. All budget adjustments are prepared and signed by the department head or row officer. Any overall budget increases/decreases are prepared and approved by the Commissioner's office.

i. **Cash and Cash Equivalents**

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

j. **Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the governmental-wide financial statements and in the fund financial statements for proprietary funds. Capital assets are defined by the County as assets with an initial, individual cost of more than \$2,500 and an estimated useful life in excess of one year. Assets are recorded at historical cost or estimated historical cost if historical cost is not available. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

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

Capital Assets and Depreciation – Component Units

The component units record assets at cost. The assets are depreciated on the straight-line method using 3 to 30 year estimated useful lives. Upon retirement, asset cost and related depreciation are removed from the books. Repairs and maintenance are expensed when incurred.

k. Interfund Receivables/Payables

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

Balances at December 31, 2014 were as follows:

<u>Governmental Fund Types</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ <u>7,654,394</u>	\$ <u>6,770,520</u>
Special Revenue Funds		
Domestic Relations	---	347,742
Juvenile Probation	---	267,183
Jail/Detention	52,900	---
Detention/Shelter	41,077	---
Farmland Preservation	20,000	---
911 Emergency Communications	---	259,309
County Records Improvement	2,500	---
Area Agency on Aging	1,275,369	---
Foster Grandparents	---	13,652
Substance Abuse	402,500	---
Children and Youth	---	499,690
Drug and Alcohol	207,382	---
Human Services	71,116	---

HMERA	---	3
Behavioral Health/Intellectual Disabilities & Early Intervention	1,493,455	---
Parks and Playgrounds	---	223,303
Booking Center	---	444,839
DUI	<u>1,120,270</u>	<u>---</u>
Total Special Revenue Funds	<u>4,686,569</u>	<u>2,055,721</u>
Debt Service Fund	<u>---</u>	<u>866</u>
Total Governmental Fund Types	<u>4,686,569</u>	<u>2,056,587</u>
<u>Proprietary Fund Types</u>		
Central Park Complex	376,322	---
Technology Fund	48,484	---
Internal Service	<u>---</u>	<u>3,908,791</u>
Total Proprietary Fund Types	<u>424,806</u>	<u>3,908,791</u>
<u>Fiduciary Fund Types</u>		
Retirement Trust Fund	<u>---</u>	<u>29,871</u>
Total Fiduciary Fund Types	<u>---</u>	<u>29,871</u>
Total Interfunds	<u>\$ 12,765,769</u>	<u>\$ 12,765,769</u>

I. Fund Balance

The County follows GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This statement requires the governmental funds' fund balances to be classified into the following five categories.

Nonspendable – fund balance permanently restricted and unavailable for current operations

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

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

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

Unassigned – fund balance available for operations without any restriction

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

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

General Fund

Restricted – Taxes Paid Under Protest \$ 2,141

These funds represent restrictions of real estate tax revenues received pending appeal. The County is required to segregate 25% of the amount of the tax paid until final disposition of the appeal.

Liquid Fuels Tax Fund

Restricted – PA Department of Transportation \$ 974,214

These funds include money received from the PA Department of Transportation which are restricted under Act 44, Act 89 and PA Title 75, Chapter 90.

m. Net Position

Net position represents the difference between assets, deferred outflows, liabilities, and deferred inflows. Net position is classified in the following three components:

Investment in capital assets, net of related debt – This component of net position consists 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.

Restricted – This component of net position consists of 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.

Unrestricted – This component of net position consists of net positions that do not meet the definition of “restricted” or “investment in capital assets, net of related debt.”

The County's policy is to first apply restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

The following is a summary of the County's restricted net positions as of December 31, 2014:

Primary Government

Restricted for Taxes Paid Under Protest	\$ 2,141
Restricted by PA Department of Transportation	<u>974,214</u>
Total Restricted Net Position	<u>\$ 976,355</u>

Fiduciary Funds

Retirement Trust Fund	<u>\$189,068,438</u>
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This represents funds restricted for retirement fund use for the future payment of members' benefits.

Workers' Compensation Trust	<u>\$ 770,863</u>
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This represents funds restricted to fund workers' compensation claims.

Prison Canteen/Resident	<u>\$ 73,159</u>
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This represents funds restricted for the welfare of prison inmates.

Component Units

Cambria Library Association	<u>\$ 564,435</u>
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This restriction has been established to segregate donor restricted funds or restrictions otherwise not available for general operation purposes.

Community College	<u>\$ 1,216,029</u>
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This restriction has been established for resources which the Foundation is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

Behavioral Health of Cambria County	<u>\$ 2,097,701</u>
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This restriction has been established for Pennsylvania Department of Human Services Reinvestment Funds and Risk and Contingency Funds that have not yet been spent for the specified purpose.

n. **Property Tax Revenues**

Property taxes collected within 60 days subsequent to December 31 are recognized as revenue for the year ending December 31 in accordance

with applicable GASB standards. County policy is to establish a reserve for uncollectible real estate taxes, which are generally defined as those in excess of two years past due, unless unusual circumstances exist.

o. Interfund Transfers

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

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

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

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

q. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources reported in the governmental fund financial statements represent revenues that are measurable but not available and, in accordance with the modified accrual basis of accounting, are reported as deferred inflows of resources. The County deems revenues received within 90 days of year-end to be available with the exception of property taxes, which must be received within 60 days of year-end to be deemed available.

r. **Long-Term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities statement of net position. In the government-wide financial statements, bond premiums and discounts, and deferred losses on defeasement (deferred outflows) are deferred and amortized over the term of the bonds using the effective interest method. In the governmental funds, these costs are reported as expenditures when the related liability is incurred.

s. **Estimates**

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

t. **Joint Venture**

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

Reporting Entity and Nature of Activities

The combined financial statements present the accounts and transactions of the Cambria Somerset Authority (“CSA”) and its Combined Affiliates (“the Authority”), Cambria and Somerset Counties Conservancy (“CSCC”) 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 in 1999, under the Municipalities Act of 1945 as amended in order to acquire the operations and property of MWC, an entity owned by Bethlehem Steel Corporation. The common stock of MWC was actually acquired by CSCC (formerly CSA Nonprofit, Inc.), a nonprofit component unit of CSA. Together, all three of these entities (CSA, CSCC and MWC) comprise the Cambria Somerset Authority and Combined Affiliates (the “Authority”). CSA owns and operates five dams in the counties of Cambria and Somerset.

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 110 Franklin Street, Suite 200, Johnstown, Pennsylvania 15901.

	Year Ended <u>December 31, 2014</u>
Current Assets	\$ 1,499,406
Total Assets	15,604,352
Deferred Outflows of Resources	51,178
Current Liabilities	1,174,442
Total Liabilities	11,471,477
Net Position	4,184,053
Operating Revenues	1,450,687
Operating Expenses	(1,622,437)
Non-Operating Revenues	118,460
Non-Operating Expenses	(374,071)
Change in Net Position	(427,361)

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 Guaranteed Water Revenue Bond, Series of 2001 and \$1,798,434 of the Authority's Guaranteed Water Revenue Bond, Series of 2006. See Note 16 for further details.

u. New GASB Pronouncements

In the current year, the County has implemented GASB Statement No. 67, *Financial Reporting for Pension Plans*. This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria. For defined benefit plans, this Statement establishes standards of financial reporting for separately issued financial reports and specifies the required approach to measuring the pension liability of employers and non-employer contributing entities for benefits provided through the pension plan (the net pension liability), about which information is required to be presented.

In the current year, the County has implemented GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. This Statement had no impact on the financial statements of the County.

In the current year, the County has implemented GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees.

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, Projects Funds, and Workmen's Compensation Trust Fund.

As of December 31, 2014, cash balances were covered by the FDIC or by pledged collateral held by the financial institutions' trust departments or custodial agents for the benefit of the County.

Cash and investments as of December 31, 2014 are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and investments	\$ 5,689,358
Cash held for clients as representative payee and guardianship program	187,258
Statement of Fiduciary net position:	
Cash and investments	<u>192,019,123</u>
Total Cash and Investments	\$ <u>197,895,739</u>

Cash and investments as of December 31, 2014 consist of the following:

Cash on hand	\$ 31,560
Deposits with financial institutions	11,822,353
Investments	<u>186,041,826</u>
Total Cash and Investments	\$ <u>197,895,739</u>

Interest Rate Risk

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

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

<u>Type</u>	<u>12 Months or Less</u>	<u>13 to 36 Months</u>	<u>37 to 60 Months</u>	<u>More Than 60 Months</u>
Fixed Income Securities	<u>\$ 7,144,178</u>	<u>\$28,135,752</u>	<u>\$ 17,444,414</u>	<u>\$ 7,557,222</u>

Credit Risk

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

<u>Type</u>	<u>Aaa</u>	<u>Aa</u>	<u>A</u>	<u>Baa</u>
Government:				
Treasury	\$ 3,659,452	\$ -	\$ -	\$ -
Agency	14,495,754	-	-	-
Corporate:				
Industrial	-	1,235,541	4,626,083	1,078,626
Utility	-	774,537	398,244	410,787
Finance	-	555,033	4,509,247	1,812,439
Yankee	-	175,604	-	-
Transportation	-	-	122,295	-
Mortgage				
FHLMC	3,135	-	-	-
FNMA	<u>37,629</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 18,195,970</u>	<u>\$ 2,740,715</u>	<u>\$ 9,655,869</u>	<u>\$ 3,301,852</u>

Custodial Credit Risk

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

GASB Statement No. 40 requires that the following disclosure be made with respect to custodial credit risks relating to deposits and investments: As of December 31, 2014, County investments by the following investment types were uncollateralized, which includes deposits collateralized by securities held by the pledging financial institution or by its trust department or agent, but not in the County's name. County investments subject to this risk include investments in the pension trust fund and the worker's compensation fund.

<u>Investment</u>	<u>Reported Amount</u>
Fixed	\$ 60,281,566
Domestic Equity	100,568,538
International Equity	21,930,803
Real Estate	4,296,068
Temporary Investment - Cash	<u>2,486,959</u>
	<u>\$ 189,563,934</u>

Foreign Currency

Foreign currency risk is the risk that the changes in foreign exchange rates will adversely affect the fair value of an investment. The County has \$21,930,803 in investments subject to foreign currency risk at year end.

NOTE 3 - REAL ESTATE TAXES

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

The rate of taxation in 2014 was 29.5 mills, of which 4.125 mills were designated for debt service, 0.875 mills were designated for community college purposes, .50 mills were designated for county library purposes, .50 mills for parks and playgrounds purposes, and the remaining 23.50 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 \$4,537,417 as stated on the Governmental Funds Balance Sheet, are actual legal claims of liened properties. The County has recorded unearned taxes receivable of \$3,449,710 on the fund level financial statements, to comply with GASB No. 22, reported on the modified accrual basis of accounting.

Government-Wide Financial Statement

In addition to the taxes receivable noted above, the Statement of Net Position includes taxes receivable from years 2014 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>\$6,312,087</u>	<u>(\$1,774,670)</u>	<u>\$ 4,537,417</u>

NOTE 4 - 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, 2014.

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, 2014. Also included in this balance is \$218,630 due to the Cambria County War Memorial Authority, pursuant to a management agreement between Cambria County War Memorial Authority and SMG. The amount due will be paid in ten (10) annual installments of \$21,863, commencing on or before May 1, 2015. (See Note 16)

NOTE 5 - FIXED ASSETS

Capital asset activity for the year ended December 31, 2014 was as follows:

Government activities:	<u>Balance 12/31/13</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance 12/31/14</u>
Capital assets not being depreciated:				
Construction-in-progress	\$ <u>123,795</u>	\$ <u>674,672</u>	(\$ <u>310,241</u>)	\$ <u>488,226</u>
Total capital assets not being depreciated	<u>123,795</u>	<u>674,672</u>	(<u>310,241</u>)	<u>488,226</u>

Other capital assets:

Site improvements	4,125,870	261,937	(3,794)	4,384,013
Infrastructure	14,725,074	---	---	14,725,074
Building and permanent fixtures	49,705,963	440,299	---	50,146,262
Office furniture and equipment	1,039,005	1,665,115	(18,672)	2,685,448
General equipment	4,650,339	189,805	(37,516)	4,802,628
Radio equipment	716,448	12,520,541	---	13,236,989
Computer hardware and software	5,604,561	1,178,287	(87,620)	6,695,228
Vehicles	<u>5,343,358</u>	<u>333,003</u>	<u>(415,353)</u>	<u>5,261,008</u>
Total capital assets, at cost	<u>85,910,618</u>	<u>16,588,987</u>	<u>(562,955)</u>	<u>101,936,650</u>

Less accumulated depreciation for:

Site improvements	(1,520,397)	(120,262)	3,794	(1,636,865)
Infrastructure	(4,825,169)	(301,740)	---	(5,126,909)
Building and permanent fixtures	(22,151,595)	(1,474,006)	---	(23,625,601)
Office furniture and equipment	(780,480)	(987,930)	18,672	(1,749,738)
General equipment	(2,666,409)	(413,905)	37,516	(3,042,798)
Radio equipment	(489,156)	(6,266,412)	---	(6,755,568)
Computer hardware and software	(5,456,318)	(1,142,749)	87,620	(6,511,447)
Vehicles	<u>(3,698,040)</u>	<u>(475,493)</u>	<u>411,201</u>	<u>(3,762,332)</u>
Total accumulated Depreciation	<u>(41,587,564)</u>	<u>(11,182,497)</u>	<u>558,803</u>	<u>(52,211,258)</u>
Governmental activities capital assets, net	<u>\$ 44,446,849</u>	<u>\$ 6,081,162</u>	<u>(\$ 314,393)</u>	<u>\$ 50,213,618</u>

Business-type activities:

Capital assets not being depreciated:

Land	<u>\$ 290,116</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 290,116</u>
Total capital assets not being depreciated	<u>290,116</u>	<u>---</u>	<u>---</u>	<u>290,116</u>

Other Capital assets:				
Site improvements	3,737	---	(3,737)	---
Buildings and permanent fixtures	6,758,056	---	(374,584)	6,383,472
Office furniture and equipment	1,662,043	---	(1,655,543)	6,500
Computer hardware and software	1,109,356	52,490	(1,161,846)	---
Machinery & equipment	<u>12,537,277</u>	<u>12,433</u>	<u>(12,513,211)</u>	<u>36,499</u>
Total capital assets at cost	<u>22,070,469</u>	<u>64,923</u>	<u>(15,708,921)</u>	<u>6,426,471</u>
Less accumulated depreciation for:				
Site improvements	(3,737)	---	3,737	---
Buildings and permanent fixtures	(3,429,943)	(228,343)	269,758	(3,388,528)
Office furniture and equipment	(804,301)	(142,903)	944,280	(2,924)
Computer hardware and software	(1,058,411)	(30,792)	1,089,203	---
Machinery & equipment	<u>(5,597,917)</u>	<u>(734,422)</u>	<u>6,313,476</u>	<u>(18,863)</u>
Total accumulated depreciation	<u>(10,894,309)</u>	<u>(1,136,460)</u>	<u>8,620,454</u>	<u>(3,410,315)</u>
Business-type activities capital assets, net	<u>\$ 11,466,276</u>	<u>(\$ 1,071,537)</u>	<u>(\$ 7,088,467)</u>	<u>\$ 3,306,272</u>

COMPONENT UNITS:

Summaries of the component units' fixed assets as of December 31, 2014 follow:

	<u>Balance</u> <u>12/31/13</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/14</u>
Planning Commission:				
Equipment	\$ 24,079	\$ ---	\$ ---	\$ 24,079
Less: Accumulated depreciation	<u>(22,212)</u>	<u>(743)</u>	<u>---</u>	<u>(22,955)</u>
Total capital assets, net	<u>\$ 1,867</u>	<u>(\$ 743)</u>	<u>\$ ---</u>	<u>\$ 1,124</u>
Redevelopment Authority:				
Construction in progress	\$ 127,824	\$ 395,969	(\$ 127,824)	\$ 395,969
Land	70,768	---	---	70,768
Buildings & improvements	1,333,163	---	---	1,333,163
Furniture & equipment	<u>20,826</u>	<u>---</u>	<u>(3,789)</u>	<u>17,037</u>
Total capital assets at cost	<u>1,552,581</u>	<u>395,969</u>	<u>(131,613)</u>	<u>1,816,937</u>

Less: Accumulated depreciation	(<u>158,746</u>)	(<u>59,577</u>)	<u>3,789</u>	(<u>214,534</u>)
Total capital assets, net	\$ <u>1,393,835</u>	\$ <u>336,392</u>	(\$ <u>127,824</u>)	\$ <u>1,602,403</u>
Library Association:				
Books & audio visual	\$1,648,932	\$ 77,901	(\$ 13,169)	\$ 1,713,664
Improvements	266,768	5,160	---	271,928
Furniture & equipment	130,822	---	---	130,822
Software	124,845	18,827	---	143,672
Computer equipment	342,699	24,201	(201,811)	165,089
Automobiles	<u>18,800</u>	<u>---</u>	<u>---</u>	<u>18,800</u>
Total capital assets at cost	<u>2,532,866</u>	<u>126,089</u>	(<u>214,980</u>)	<u>2,443,975</u>
Less: Accumulated depreciation	(<u>1,740,440</u>)	(<u>143,141</u>)	<u>214,980</u>	(<u>1,668,601</u>)
Total capital assets, net	\$ <u>792,426</u>	(\$ <u>17,052</u>)	\$ <u>---</u>	\$ <u>775,374</u>
Municipal Airport Authority:				
Land	\$ 1,909,798	\$ ---	\$ ---	\$ 1,909,798
Construction-in-progress	927,060	464,538	(309,373)	1,082,225
Land improvements	38,734,774	309,373	---	39,044,147
Building & improvements	4,236,280	---	---	4,236,280
Vehicles & equipment	<u>2,185,810</u>	<u>516,223</u>	<u>(3,929)</u>	<u>2,698,104</u>
Total capital assets at cost	<u>47,993,722</u>	<u>1,290,134</u>	(<u>313,302</u>)	<u>48,970,554</u>
Less: Accumulated depreciation	(<u>34,439,104</u>)	(<u>1,099,770</u>)	<u>3,929</u>	(<u>35,534,945</u>)
Total capital assets, net	\$ <u>13,554,618</u>	\$ <u>190,364</u>	(\$ <u>309,373</u>)	\$ <u>13,435,609</u>
Transit Authority:				
Land – Inclined Plane	\$ 834,712	\$ ---	\$ ---	\$ 834,712
Construction in Progress	1,901,966	15,648,874	---	17,550,840
Land Improvements	24,340	---	---	24,340
Buildings & Improvements	19,314,071	73,460	(2,140)	19,385,391
Vehicles, equipment and other	<u>17,687,300</u>	<u>477,064</u>	(<u>134,939</u>)	<u>18,029,425</u>
Total capital assets at cost	<u>39,762,389</u>	<u>16,199,398</u>	(<u>137,079</u>)	<u>55,824,708</u>
Less: Accumulated depreciation	(<u>22,478,449</u>)	(<u>1,627,017</u>)	<u>129,097</u>	(<u>23,976,369</u>)
Total capital assets, net	\$ <u>17,283,940</u>	\$ <u>14,572,381</u>	(\$ <u>7,982</u>)	\$ <u>31,848,339</u>

Solid Waste Management Authority:

Furniture & fixtures	\$ 19,098	\$ ---	\$ ---	\$ 19,098
Equipment	927,122	---	---	927,122
Improvements	<u>9,611</u>	<u>---</u>	<u>---</u>	<u>9,611</u>
Total capital assets at cost	<u>955,831</u>	<u>---</u>	<u>---</u>	<u>955,831</u>
Less: Accumulated depreciation	(<u>662,951</u>)	(<u>31,409</u>)	<u>---</u>	(<u>694,360</u>)
Total capital assets, net	<u>\$ 292,880</u>	(<u>\$ 31,409</u>)	<u>\$ ---</u>	<u>\$ 261,471</u>

Conservation & Recreation Authority:

Land	\$ 6,492,302	\$ ---	(\$ 1,200)	\$ 6,491,102
Building	1,034,796	---	---	1,034,796
Equipment	<u>105,379</u>	<u>18,373</u>	<u>---</u>	<u>123,752</u>
Total capital assets at cost	<u>7,632,477</u>	<u>18,373</u>	<u>(1,200)</u>	<u>7,649,650</u>
Less: Accumulated depreciation	(<u>254,824</u>)	(<u>41,281</u>)	<u>---</u>	(<u>296,105</u>)
Total capital assets, net	<u>\$ 7,377,653</u>	(<u>\$ 22,908</u>)	(<u>\$ 1,200</u>)	<u>\$ 7,353,545</u>

Pennsylvania Highlands Community College:

Equipment	\$ 4,216,276	\$ 397,178	\$ ---	\$ 4,613,454
Construction-In-Progress	497,708	777,729	---	1,275,437
Leasehold improvements	11,175,011	198,807	---	11,373,818
Computer software	<u>265,331</u>	<u>---</u>	<u>---</u>	<u>265,331</u>
Total capital assets at cost	<u>16,154,326</u>	<u>1,373,714</u>	<u>---</u>	<u>17,528,040</u>
Less: Accumulated depreciation	(<u>5,617,850</u>)	(<u>943,581</u>)	<u>---</u>	(<u>6,561,431</u>)
Total capital assets, net	<u>\$ 10,536,476</u>	<u>\$ 430,133</u>	<u>\$ ---</u>	<u>\$ 10,966,609</u>

War Memorial Arena Authority:

Equipment	\$ 508,731	\$ 29,475	(\$ 75,751)	\$ 462,455
Leasehold improvements	<u>550,766</u>	<u>39,267</u>	(<u>5,794</u>)	<u>584,239</u>
Total capital assets at cost	<u>1,059,497</u>	<u>68,742</u>	<u>(81,545)</u>	<u>1,046,694</u>
Less: Accumulated depreciation	(<u>650,765</u>)	(<u>54,057</u>)	<u>66,222</u>	(<u>638,600</u>)
Total capital assets, net	<u>\$ 408,732</u>	<u>\$ 14,685</u>	(<u>\$ 15,323</u>)	<u>\$ 408,094</u>

**Behavioral Health of Cambria
County:**

Equipment	\$ 27,435	\$ ---	\$ ---	\$ 27,435
Vehicles	<u>17,538</u>	<u>---</u>	<u>--</u>	<u>17,538</u>
Total capital assets at cost	<u>44,973</u>	<u>---</u>	<u>---</u>	<u>44,973</u>
Less: Accumulated depreciation	(<u>34,944</u>)	(<u>4,088</u>)	<u>---</u>	(<u>39,032</u>)
Total capital assets, net	<u>\$ 10,029</u>	<u>(\$ 4,088)</u>	<u>\$ ---</u>	<u>\$ 5,941</u>

Total Component Unit Capital Assets at December 31, 2014 \$ 66,658,509

NOTE 6 - EMPLOYEE RETIREMENT TRUST PLAN

Plan Description

The County of Cambria provides a single-employer defined benefit pension plan which 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.

Plan Administration

The pension plan is administered by the County Retirement Board. Per the plan document, the Retirement board is comprised of five individuals consisting of the three county commissioners, the county controller and the county treasurer. The Retirement Board has the discretion and authority to interpret the Plan and to determine the eligibility and benefits of participants and beneficiaries pursuant to the provisions of the plan. On all such matters, the decision of a quorum of the then members of the Retirement Board shall govern and be binding upon the Employer, participants, and beneficiaries. The Retirement Board meets monthly during the year. However, the Retirement Board need not call or hold any meeting for the purpose of rendering decisions but such decisions may be evidenced by a written document designed by the members.

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.

Method Used to Value Investments

All investments of the retirement trust fund are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value.

Contributions

Plan members are required to contribute 9% of their annual covered salary. 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 are established and may be amended by the General Assembly of the Commonwealth of Pennsylvania. Administrative costs of the plan are financed through investment earnings.

Membership

Membership of the plan consisted of the following at December 31, 2014, the date of the latest actuarial valuation:

Retirees and Beneficiaries Receiving Benefits	1,030
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	157
Active Plan Members	<u>688</u>
	<u>1,875</u>

Actuarial Methods and Assumptions

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

Valuation Date:	December 31, 2014
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Market Value of Assets
Actuarial Assumptions:	
Investment Rate of Return	7.5%
Projected Salary Increases	4.5%
Mortality Rates	RP2000 Combined Healthy Mortality Tables for Males and Females

Annual Pension Cost and Net Pension Obligation

The County's Annual Required Contribution for 2014 was determined as part of the December 31, 2013, actuarial valuation. The County's annual required contribution and net pension obligation to the Cambria County Employee's Retirement System were \$2,313,521 for 2014. Effective in 2014, the Entry Age Normal actuarial cost method was used to determine the annual required contribution. Prior to 2014, the aggregate actuarial cost method was used, which did not identify or separately amortize unfunded actuarial liabilities.

Annual Pension Cost - Six-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, 2014	\$2,314,939	100%	\$ ---
December 31, 2013	\$2,205,337	100%	\$ ---
December 31, 2012	\$2,253,498	100%	\$ ---
December 31, 2011	\$2,148,200	100%	\$ ---
December 31, 2010	\$2,267,852	100%	\$ ---
December 31, 2009	\$1,696,673	100%	\$ ---

Funded Status and Funding Progress

As of December 31, 2014, the most recent actuarial valuation date, the Plan was valued under the Entry Age Actuarial Cost Method. Under this basis, the Plan was 91 percent funded. The Entry Age actuarial accrued liability for benefits was \$206.8 million, and the actuarial value of assets was \$189.1 million, resulting in an unfunded Entry Age actuarial accrued liability (UAAL) of \$17.7 million. The covered payroll (annual payroll of active employees covered by the Plan) was \$26.2 million and the ratio of the UAAL to the covered payroll was 68 percent.

Net Pension Liability

The components of the net pension liability of the County's plan at December 31, 2014, were as follows:

Total Pension Plan Liability	\$ 206,766,109
Plan Fiduciary Net Position	<u>(189,068,438)</u>
Net Pension Liability	<u>\$ 17,697,671</u>

Plan Fiduciary Net Position as a percentage of the total pension liability is 91.4%.

Discount Rate

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the County, calculated using the discount rate of 7.5%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate:

	<u>-1% (6.5%)</u>	<u>Current Discount Rate (7.5%)</u>	<u>+1% (8.5%)</u>
Net pension liability	\$35,222,690	\$17,697,671	\$2,864,386

Rate of Return on Investments

For the 2014 measurement period, the annual money-weighted rate of return on the County's pension plan investments, net of pension plan investment expense, was 6.69%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

Investment Policy

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the County Retirement Board by a majority vote of its members. It is the policy of County Retirement Board to broadly diversify the plan's investments to maximize long-term investment returns and minimize the risk of substantial loss as measured by a percentage of the plan's assets.

The plan will be invested consistent with an overall asset allocation strategy. This strategy identifies a portfolio structure and sets a long term percentage target for the amount of the plan's market value that is to be invested in each asset class. It is the general policy to have the assets of the plan invested in accordance with the following asset allocation model:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>December 31, 2014 Actual Allocation</u>
Equities	60.0%	67.5%
Fixed Income	36.0%	31.6%
Real Estate	4.0%	0.1%
Cash and Equivalents	0.0%	0.8%
TOTAL	<u>100.0%</u>	<u>100.0%</u>

Concentrations

As of December 31, 2014, the pension plan held the following investments that represented 5 percent or more of the pension plan's fiduciary net position:

<u>Investment</u>	<u>Balance</u>
GMO International Equity Allocation	\$ 12,612,057
Vanguard Russell 1000 Growth Index Instl	\$ 16,742,272
Vanguard Russell 1000 Value Index Instl	\$ 31,876,802

See the Required Supplementary Information schedules for additional required financial statement disclosures related to the County's pension plan.

NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) UNDER GASB 45

Plan Description

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

Funding Policy

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

Annual OPEB Cost and Net OPEB Obligation

The County's annual other post-retirement benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB Obligation.

Components of Net OPEB Obligation

Annual Required Contribution	\$ 3,376,793
Interest on Net OPEB Obligation	3,940
Adjustment to Annual Required Contribution	(4,730)
Annual OPEB Cost (Expense)	3,376,003
Contributions Made or Accrued	(3,277,551)
Increase in Net Obligation	98,452
Net OPEB Asset 1/1/2014	52,526
Net OPEB Obligation 12/31/2014	\$ <u>150,978</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 is as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of OPEB Cost</u>	<u>Net OPEB Obligation</u>
12/31/14	\$3,376,003	97.1%	\$150,978
12/31/13	\$3,243,289	97.1%	\$ 52,526
12/31/12	\$2,939,294	101.7%	\$(40,333)
12/31/11	\$2,811,294	100.6%	\$ 11,031
12/31/10	\$2,389,428	125.5%	\$ 29,162
12/31/09	\$2,314,896	112.6%	\$639,024

Funded Status and Funding Progress

As of January 1, 2014, the most recent measurement date, the plan was 0% funded. The actuarial accrued liability for benefits was \$33,327,981 and the actuarial value of assets was \$0 resulting in an unfunded actuarial accrued liability (UAAL) of \$33,327,981. The estimated covered payroll (annual payroll of active employees covered by the plan) was \$25,070,000 and the ratio of the UAAL to the covered payroll was 133%.

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

Actuarial Methods and Assumptions

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

The last complete actuarial valuation was performed as of January 1, 2013 and the results were “rolled forward” to January 1, 2014 using established actuarial techniques and methods. In the January 1, 2014 valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 7.5% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer’s own investments calculated based on the funded level of the plan assets at the valuation date, and an annual healthcare cost trend rate of 6.5% initially for pre-65 costs (5.0% for post-65 costs), reduced by decrements to an ultimate rate of 5% in 2018 and later. The UAAL is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at January 1, 2014 was 23 years for active participants and 13 years for inactive participants.

NOTE 8 - RISK MANAGEMENT

Workers’ Compensation

The County is exposed to risk of loss related to self-insurance activities for workers’ compensation. The Government-Wide Statement of Net Position accounts for the risk associated with the workers’ compensation.

The County is self-insured for workers’ compensation. The County has excess workers’ compensation insurance with a self-insured retention per occurrence of \$550,000, and a maximum indemnity per occurrence of \$1,000,000.

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

The County maintains workers’ compensation reserves for claims incurred and claims incurred but not reported in the funds to which, per the County’s estimate, they apply. The reserves are recorded in the Government-Wide Statement of Net Position.

The accrued liability for workers’ compensation is determined by an actuary in accordance with actuarial principles. There have been no changes in insurance coverage, 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 coverage.

The accrued workers’ compensation self-insurance liability at December 31, 2014 is \$527,637, which is included as a long-term obligation on the government-wide statement of net position.

The following summary provides aggregate information on workers' compensation self-insurance liabilities; incurred claims and payments during the years ended December 31, 2014 and 2013:

<u>Year</u>	<u>January 1, Liability</u>	<u>Net Incurred/(Settled) Claims</u>	<u>Payments</u>	<u>December 31, Liability</u>
2014	\$ <u>669,255</u>	(\$ <u>536,082</u>)	\$ <u>394,464</u>	\$ <u>527,637</u>
2013	\$ <u>1,111,611</u>	(\$ <u>576,274</u>)	\$ <u>133,918</u>	\$ <u>669,255</u>

Medical Insurance

The County maintains a self-insurance plan to provide medical benefits to employees and retirees. Self-insurance for retirees covers only those that are pre-Medicare. When an individual qualifies for Medicare, they are moved into the HMO Medicare group, which is fully insured. As part of the self-insurance plan, the County entered into a stop-loss agreement whereby they would be reimbursed for any individual claim in excess of \$250,000 per year per covered individual. The activity for the health insurance plan is recorded within an Internal Service Fund with each department and fund contributing to their share of the costs of providing the insurance.

NOTE 9 - CAPITAL CONTRIBUTIONS

Component Units

Summaries of the component units' capital contributions as of December 31, 2014 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, entitlements, shared revenues and the fair market value of donated property are reported in the Statement of Revenues, Expenses, and Changes in Net Position, after non-operating revenues and expenses as capital contributions which amounted to \$740,909 at December 31, 2014.

Transit Authority

Capital grant contributions from federal and state governments amounted to \$16,199,174 for the Transit Authority at June 30, 2014.

NOTE 10 – LONG-TERM OBLIGATIONS

Long-term liability activity for the year ended December 31, 2014, was as follows:

	<u>Balance 12/31/13</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/14</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Bonds and Notes Payable:					
2006 General Obligation Notes	\$ 3,131,297	\$ ---	(\$ 3,131,297)	\$ ---	\$ ---
2006 Tax Exempt Bank Loan	6,197,456	---	(6,197,456)	---	---
2011 General Obligation Notes	20,204,664	---	(20,204,664)	---	---
2014 General Obligation Bonds	---	45,341,701	---	45,341,701	3,701,934
Other Liabilities:					
Accrued Vacation	1,648,932	94,712	---	1,743,644	1,743,644
Accrued Sick Pay	499,810	---	(25,258)	474,552	---
OPEB Obligation	52,526	98,452	---	150,978	---
Estimated Workers' Compensation Liability	<u>669,255</u>	<u>---</u>	<u>(141,618)</u>	<u>527,637</u>	<u>---</u>
Governmental Activities Long-term Liabilities	<u>\$ 32,403,940</u>	<u>\$ 45,534,865</u>	<u>(\$ 29,700,293)</u>	<u>\$ 48,238,512</u>	<u>\$ 5,445,578</u>
	<u>Balance 12/31/13</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/14</u>	<u>Amounts Due Within One Year</u>
Business-type Activities:					
Bonds and Notes Payable:					
2011 General Obligation Notes	\$ 3,560,336	\$ ---	(\$ 3,560,336)	\$ ---	\$ ---
2014 General Obligation Bonds	---	3,283,299	---	3,283,299	268,066
Other Liabilities:					
Accrued Vacation Pay	10,442	846	---	11,288	11,288

Accrued Sick Pay	6,334	658	---	6,992	---
Business-type Activities					
Long-term Liabilities	\$ 3,577,112	\$ 3,284,803	(\$ 3,560,336)	\$ 3,301,579	\$ 279,354

Description of Debt

Pertinent information regarding general obligation debt outstanding is presented below:

General Obligation Notes, Series of 2006

In February 2006, the County issued \$5,202,356 in General Obligation Notes to advance refund the General Obligation Bonds in 1994. The 1994 General Obligation Notes were originally incurred for the County prison, roof replacement, elevators, laundry equipment for the nursing home, and renovations to the County services building. In August 2014, the General Obligation Notes, Series of 2006, were currently refunded by the issuance of the General Obligation Bonds, Series of 2014.

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

Tax Exempt Bank Loan, Series of 2006

In February 2006, the County issued \$7,706,846 in a Tax Exempt Bank Loan to advance refund the 2000 General Obligation Notes. The General Obligation Notes in 2000 were incurred for the purpose of providing funds to pay for the lease rental debt with Cambria County Industrial Development Authority for capital projects. In August 2014, the Tax Exempt Bank Loan, Series of 2006, was currently refunded by the issuance of the General Obligation Bonds, Series of 2014.

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

General Obligation Note, Series of 2011

In June of 2011, the County retired the 1998 General Obligation Bonds by issuing \$28,585,000 in General Obligation Notes through a consortium of local financial institutions. The interest rate on the General Obligation Notes was fixed for a period of five (5) years at 4.1%. After the initial five (5) year period, the interest rate was to be reset to the tax free equivalent of the sum of the Federal Home Loan Bank of Pittsburgh Five Year Rate plus two and eighty five hundredths percent (2.85%) fixed for five (5) years; thereafter the interest rate was to be reset to the tax free equivalent of the sum of the Federal Home Loan Bank of Pittsburgh Five Year Rate plus two and eighty five hundredths percent (2.85%) for the remaining term. Under no circumstances would the interest rate

be less than three percent (3.00%), tax free, or more than seven percent (7.00%), tax free, per annum. In August 2014, the General Obligation Note, Series of 2011, was currently refunded by the issuance of the General Obligation Bonds, Series of 2014.

General Obligation Bonds, Series of 2014

In August 2014, the County issued General Obligation Bonds, Series of 2014, in the amount of \$48,625,000 with an interest rate ranging from 3.0% to 5.0%, resulting in an effective interest rate of 4.684%. The proceeds of the bonds were used for the current refunding of the General Obligation Notes, Series of 2006, Tax Exempt Bank Loan, Series of 2006, General Obligation Note, Series of 2011, Series 2006 A and 2006B Lease Revenue Notes, 2013 Upper Yoder Township Authority Lease Revenue Note, and to pay the costs of issuing the bonds. In addition, a portion of the proceeds were used to advance refund the 2007 Cambria County General Financing Authority lease purchase agreement by establishing a separate irrevocable trust. \$6,871,930 was transferred into the trust and used to purchase investments. The investments and fixed earnings from the investments are sufficient to fully secure the defeased debt until the debt is called or matures.

The difference between the cash flows required to service the old debt and the cash flows required to service the new debt amounted to \$3,364,438. The economic gain resulting from this transaction amounted to \$3,144,725.

Debt Maturity

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

	<u>Principal Requirements</u>	<u>Interest Requirements</u>	<u>Total Debt Service Requirements</u>
2014 General Obligation Bond			
<u>Years Ending December 31:</u>			
2015	\$ 3,970,000	\$ 2,069,373	\$ 6,039,373
2016	4,290,000	2,027,800	6,317,800
2017	4,495,000	1,856,200	6,351,200
2018	4,680,000	1,676,400	6,356,400
2019	4,890,000	1,489,200	6,379,200
2020-2024	20,930,000	3,918,750	24,848,750
2025-2029	4,860,000	784,250	5,644,250
2030	<u>510,000</u>	<u>25,500</u>	<u>535,500</u>
	<u>\$ 48,625,000</u>	<u>\$ 13,847,473</u>	<u>\$ 62,472,473</u>
 To be Retired by:			
Business-Type Activities	\$ 3,283,299	\$ 935,021	\$ 4,218,320
Governmental Activities	<u>45,341,701</u>	<u>12,912,452</u>	<u>58,254,153</u>
	<u>\$ 48,625,000</u>	<u>\$ 13,847,473</u>	<u>\$ 62,472,473</u>

NOTE 11 - CAPITAL LEASES

	<u>Balance 12/31/13</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/14</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Capital Leases:					
Series 2006A and 2006B Lease Revenue Notes	\$ 8,506,444	\$ ---	(\$ 8,506,444)	\$ ---	\$ ---
2004 CLT Efficient Tech Group	68,717	---	(68,717)	---	---
2005 Equipment Lease	111,345	---	(69,327)	42,018	42,018
2008 Equipment Lease	466,752	---	(32,160)	434,592	35,473
2009 Equipment Lease	57,083	---	(26,654)	30,429	28,029
2009 Prison Security Upgrades	1,008,971	---	(1,008,971)	---	---
2013 Upper Yoder Township Authority Lease Revenue Note	<u>5,000,000</u>	<u>---</u>	<u>(5,000,000)</u>	<u>---</u>	<u>---</u>
Governmental Activities Capital Leases	<u>\$ 15,219,312</u>	<u>\$ ---</u>	<u>(\$ 14,712,273)</u>	<u>\$ 507,039</u>	<u>\$ 105,520</u>
	<u>Balance 12/31/13</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/14</u>	<u>Amounts Due Within One Year</u>
Business-type Activities:					
Capital Leases:					
2007 Cambria County General Financing Authority	<u>\$ 6,465,372</u>	<u>\$ ---</u>	<u>(\$ 6,465,372)</u>	<u>\$ ---</u>	<u>\$ ---</u>
Business-type Activities Capital Leases	<u>\$ 6,465,372</u>	<u>\$ ---</u>	<u>(\$ 6,465,372)</u>	<u>\$ ---</u>	<u>\$ ---</u>

Description of Leases

Series 2006A and 2006B Lease Revenue Notes

In February 2006, the County refinanced the Bank Qualified Tax Exempt Guaranteed Lease Revenue Note of 2003 with the Series 2006A Lease Revenue Note in the amount of \$9,128,264. The revised agreement called for 45 semi-annual payments beginning June 1, 2006 through June 1, 2028. The terms of the loan agreement called for semi-annual payments of \$341,910 after June 1, 2006. The Bank Qualified Tax Exempt Guaranteed Lease Revenue Note was originally incurred to lease back the Laurel Crest nursing home facility. The interest rate was fixed at 5%.

In addition to the Series 2006A Lease Revenue Note, the County refinanced their Taxable Guaranteed Lease Revenue Note of 2003 with the Series 2006B Lease Revenue Note in the amount of \$1,954,857. The revised agreement called for 46 semi-annual payments beginning June 1, 2006 through December 1, 2028. The terms of the loan agreement called for semi-annual

payments of \$72,443 after June 1, 2006. The Taxable Guaranteed Lease Revenue Note was originally incurred to lease back the Laurel Crest nursing home facility. As a result of the sale of Laurel Crest Rehabilitation and Special Care Center, the debt became a general obligation of the County. The interest rate was fixed at 5%.

In August 2014, the Series 2006A and 2006B Lease Revenue Notes were currently refunded by the issuance of the General Obligation Bonds, Series of 2014.

Former Laurel Crest Rehabilitation and Special Care Center Leases

In 2004, the County signed a contract with CLT Efficient Tech Group (CLT). The contract entailed having CLT install new lighting, chillers, air condition units, a laundry heat recovery system and an energy management system at Laurel Crest Manor for a total cost of \$1,606,989. The contract guarantees Laurel Crest Manor will save at least the amount of the total contract in energy savings over the next ten years or CLT will refund the difference. The project was funded under a capital lease, which requires a monthly payment of \$17,336, beginning November 15, 2004 for 114 months. The capital lease has an effective interest rate of approximately 4.5%. The lease liability was paid off in 2014.

During 2005, the County leased additional equipment costing \$579,091 through a capital lease, which requires monthly payments of \$6,100 for 120 months. The capital lease has an effective interest rate of approximately 4.5%. Equipment valued at \$316,093 was for Laurel Crest Manor and \$262,998 was for the courthouse.

During 2008, the County leased additional equipment costing \$580,620 through a capital lease, which requires a monthly payment varying from \$3,348 to \$5,700 for 180 months. The capital lease has an effective interest rate of 4.23%. Equipment valued at \$435,465 was for Laurel Crest Manor and \$145,155 was for general operations.

During 2009, the County leased additional equipment costing \$170,000 through a capital lease, which requires a monthly payment of \$2,410 for 84 months. The capital lease has an effective interest rate of 4.33%. Equipment valued at \$127,500 was for Laurel Crest Manor and \$42,500 was for general operations.

As a result of the sale of Laurel Crest Rehabilitation and Special Care Center on January 1, 2010, the obligations previously reported within the Laurel Crest Manor fund became general obligations of the County and are being paid back through the debt service fund.

Prison Security Upgrade Lease

During 2009, the County entered into a tax exempt municipal lease for various security upgrades for the Cambria County Prison. The total value of the leased equipment was \$2,020,000. The term of the lease was for 7 years with an effective interest rate of 4.33%. The County repaid the entire balance of the lease liability in 2014.

Upper Yoder Township Authority

In December of 2013, the County of Cambria entered into a lease agreement with Upper Yoder Township Authority, whereby the County of Cambria would make payments directly to a local financial institution equal to the amount of principal and interest payments due under a loan agreement between the local financial institution and Upper Yoder Township Authority. The proceeds of the loan were applied to the Upper Yoder Township Authority for the purchase of the Cambria County Human Services Building. The County of Cambria leased the Cambria County Human Services Building from the Authority for annual rentals equal to the debt service on the Authority's Guaranteed Lease Revenue Note, Series of 2013, issued in the principal amount of \$5,000,000 and purchased by the bank. The term of the lease was for 8 years with an effective interest rate of 4.325%, with payments commencing on February 1, 2014. After a period of 5 years, the interest rate would adjust to the tax-exempt equivalent of the then-existing 3-year FHLB of Pittsburgh rate, plus 3.5%. The required principal and interest payments were to be paid back through the debt service fund. In August 2014, the Upper Yoder Township Authority lease was currently refunded by the issuance of the General Obligation Bonds, Series of 2014.

Cambria County General Financing Authority

In June of 2007, the County of Cambria entered into a sublease agreement with the Cambria County General Financing Authority, whereby the County of Cambria would make payments directly to a local financial institution equal to the amount of principal and interest payments due under a lease agreement between the local financial institution and the Cambria County General Financing Authority. The lease agreement between the Cambria County General Financing Authority and the local financial institution was for the lease of equipment constituting the network infrastructure supporting public safety/911 communications needs, traditional internet connectivity among school districts within the County, and the expansion of the availability of high speed broadband internet access to education institutions and municipalities within the County, and providing for the payment of rent by the Authority in an amount equal to principal and interest on the aggregate cost of the equipment financed pursuant to the agreement and related issuance costs. The total value of the leased equipment amounted to \$10,000,000. The term of the lease was for 15 years with an effective interest rate of 4.356% with payments commencing on January 1, 2008. The required principal and interest payments were to be paid back by the Technology Fund. See Note 16 for additional information. In August 2014, the Cambria County General Financing Authority lease was advance refunded by the issuance of the General Obligation Bonds, Series of 2014.

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

2015	\$ 105,520
2016	41,234
2017	42,397
2018	46,166
2019	50,164
Thereafter	<u>221,558</u>
	<u>\$ 507,039</u>
To be Retired by:	
Government Type Activities	<u>\$ 507,039</u>

NOTE 12 - COMMITMENTS AND CONTINGENCIES

Component Units

Redevelopment Authority of Cambria County

Guarantees of Indebtedness

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

Pennsylvania Highlands Community College

Guarantees of Indebtedness

In 2006, the State Public School Building Authority issued College Revenue Bonds, Series of 2006, in the amount of \$4,800,000. The bonds were issued by the Authority on behalf of Pennsylvania Highlands Community College to finance the main campus project consisting of the design, construction, improvement, and equipping of a portion of a building which is owned by the Richland School District and is to be leased to the College. The bonds were also used to pay the costs and expenses of issuing and insuring the 2006 Bonds. In connection with the issuance of the 2006 Bonds, the Authority entered into the loan agreement with the College, which requires the College to make loan repayments to the Authority in amounts sufficient to pay the debt service

payments on the 2006 Bonds. The long-term debt is a general obligation of the College. In the event of default, Cambria County will be responsible for payments to the State Public School Building Authority. The balance of the loan as of June 30, 2014 was \$1,130,000.

NOTE 13 - COMPENSATED ABSENCES

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

Vacation Pay

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

PTO (Paid-Time-Off)

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

Sick Pay

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

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

NOTE 14 - EXPENDITURES IN EXCESS OF BUDGET

For the year ended December 31, 2014, the following funds' expenditures exceeded budget by the following amounts:

<u>Fund</u>	<u>Amount</u>
Booking Center	\$ 35,693
DUI	\$ 25,477
Hotel Tax	\$ 29,844
Area Agency on Aging	\$ 277,512
Foster Grandparents	\$ 21,222
Children and Youth	\$ 113,198

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

NOTE 15 - ACCOUNTABILITY

The following funds had deficit fund balances or net position as of December 31, 2014.

<u>Fund</u>	<u>Amount</u>
General	\$ 3,372,291
Booking Center	\$ 438,608
Parks and Playground	\$ 223,303

NOTE 16 - RELATED PARTY TRANSACTIONS

County Appropriations to Component Units:

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

Cambria County Planning Commission	\$ <u>71,300</u>
Redevelopment Authority of Cambria County	\$ <u>60,000</u>
Cambria Library Association	\$ <u>615,000</u>
Johnstown-Cambria County Airport Authority	\$ <u>174,000</u>
Cambria County Transit Authority	\$ <u>664,724</u>
Cambria County Economic Development Authority	\$ <u>150,000</u>
Cambria County Solid Waste Management Authority	\$ <u>340,000</u>

Cambria County Conservation and Recreation Authority	\$ <u>155,000</u>
Pennsylvania Highlands Community College	\$ <u>1,049,130</u>
Cambria County War Memorial Arena Authority	\$ <u>536,190</u>

County Appropriations to Related Organizations:

Cambria County Child Development Corp.	\$ <u>3,435,275</u>
Cambria Somerset Authority	\$ <u>47,550</u>
Cambria County General Financing Authority (Note11)	\$ <u>6,606,188</u>

Cambria Library Association

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

County Loans to Related Organizations:

In August of 2011, the County entered into a loan agreement with the Cambria Somerset Authority whereby the County agreed to advance the Authority such amounts as may be necessary for the Authority to make their bond payments. The amounts advanced for 2011 through 2013 totaled \$950,374. The County advanced an additional \$324,714 in 2014, bringing the loan receivable balance to \$1,275,088 at December 31, 2014. The non-interest bearing loan shall be repaid by the Authority to the County as revenue becomes available to the Authority in excess of its reasonable and necessary operations and activities in such amounts as are reasonable and possible under the Authority's operating plan. As a result, the loan receivable is classified as a long-term asset within the Government-Wide Statement of Net Position.

Commitment and Contingency – Cambria County War Memorial Authority

Management Fees

Under the terms of the contract the Authority is to pay an annual base fee as follows:

	<u>Monthly Installment</u>	<u>Annual Base Fee</u>
Fiscal year 1:	\$ 8,000	\$ 96,000
Fiscal year 2:	\$ 9,000	\$108,000
Fiscal year 3:	\$ 10,000	\$120,000
Fiscal year 4 and thereafter:	The prior Fiscal year base fee plus consumer price index adjustment	

In addition to the base fee, the management company is entitled to an annual incentive fee with respect to each fiscal year. The incentive fee shall be equal to 15% of the operating revenues for each fiscal year not to exceed the lower of 100% of the annual base fee or net operating profit for each fiscal year. The incentive fee is due 30 days after the Authority was provided notice and calculation of the incentive fee under the terms of the contract. Under the terms of the contract the financial records and reporting are the responsibility of SMG, as well as, to manage and operate the Arena and NCRC. The Authority has the right to audit the annual financial statements for any fiscal year under the agreement and the incentive fee shall be adjusted based on the audited statements.

Capital Equipment and Improvements

The obligation to pay for, and authority to perform, direct and supervise capital improvements and capital equipment purchases remains with the Authority and are not considered operating expenses under the terms of the agreement and the Authority maintains ownership of capital investments.

Capital Contribution

SMG, under the terms of the contract agreed to provide the facilities the seventy-five thousand dollars (\$75,000) to be used in connection with the promotion or operation of either of both facilities. The \$75,000 will be amortized over a period of ten (10) years on a straight-line, non-interest bearing basis commencing on the effective date of the management agreement. The Authority under the terms of the contract will reimburse SMG annually \$7,500. In the event of expiration or termination of the agreement the Authority agrees to pay the unreimbursed amount of capital no later than thirty (30) days following the effective date of such expiration or termination.

Management and Other Payable to SMG Settlement

As of June 30, 2014, SMG is owed management fees and expenses in the amount of \$445,844 for the period July 1, 2011 to June 30, 2014. The Authority and SMG have agreed to a settlement of \$368,863 for these expenses. A \$150,000 payment was made to SMG and the remaining \$218,630 balance will be paid in equal installments of \$21,863 over 10 years commencing on May 1, 2015. In the event that the Arena operations, which are managed by SMG under the contract terms, are unable to fulfill these obligations the Authority by the terms of the contract would be liable for the amounts owed in addition to all operating expenses under the termination or default within the agreement (See Note 4).

Amendment

On July 10, 2014, the Authority and SMG have amended the original management agreement to extend the management term from July 1, 2014 to June 30, 2019. The base management fee will be paid in monthly installments of \$7,000 plus CPI adjustment for each fiscal year.

Termination or Default

Per the existing contract language, in the event this Agreement expires or is terminated (i) all Operating Expenses incurred or committed for prior to the date of expiration or termination shall be paid using funds on deposit in the accounts described in the agreement and to the extent such funds are not sufficient, Authority shall pay all such Operating Expenses, and (ii) Authority shall pay SMG all fees earned to the date of expiration or termination (the fees described above hereof being subject to proration). Upon such termination or expiration, all further obligations of the parties hereunder shall terminate except for the obligations that are expressly intended to survive the termination or expiration of this Agreement.

NOTE 17 - CASH HELD FOR CLIENTS

In the operation of the representative payee program, the County receives cash on behalf of its clients. Such cash is used to pay the related bills and expenses of each participant. This cash is merely held for others and is not available to fund operations of the County. Accordingly, the balances in the accounts are recorded as an asset, cash held for clients as representative payee and guardianship program of \$187,258 as of December 31, 2014. An offsetting liability is recorded, reserved cash held for clients as representative payee and guardianship program, in the accompanying governmental funds balance sheet.

NOTE 18 - LITIGATION

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

NOTE 19 - PRIOR PERIOD ADJUSTMENT

Behavioral Health of Cambria County

It was discovered that the risk and contingency funds received by VBH-PA were reported as unearned revenue as of June 30, 2013. These funds should have been recorded as other revenue for risk and contingency rather than unearned revenue. This error was identified, corrected, and net assets and unearned revenue were restated by \$1,137,023 to properly reflect the correct balances.

War Memorial Arena Authority

The financial statements of the War Memorial Arena Authority for the year ended June 30, 2014 include the operations of the Arena. The financial statements of the War Memorial Arena Authority for the year ended June 30, 2013 did not include the operations of the Arena and, therefore, a prior period adjustment was recorded to reflect the opening net position of the Arena operations.

NOTE 20 - SUBSEQUENT EVENTS

Tax Anticipation Note

In January 2015, the County issued a tax and revenue anticipation note of \$7,000,000 with an interest rate of 1.19%. The due date of the note is December 31, 2015.

Subsequent events were evaluated through June 19, 2015, the date the financial statements were available to be issued.

REQUIRED
SUPPLEMENTARY
INFORMATION

COUNTY OF CAMBRIA
EMPLOYEE RETIREMENT PLAN - SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
1/1/2015	\$ 189,068,438	\$ 206,766,109	\$ (17,697,671)	91%	\$ 26,196,931	68%
1/1/2014	\$ 184,168,762	\$ 206,781,585	\$ (22,612,823)	89%	\$ 24,984,033	91%
1/1/2013	\$ 163,593,853	\$ 200,276,684	\$ (36,682,831)	82%	\$ 24,987,019	147%
1/1/2012	\$ 154,739,310	\$ 196,086,208	\$ (41,346,898)	79%	\$ 25,387,686	163%
1/1/2011	\$ 160,169,021	\$ 190,161,520	\$ (29,992,499)	84%	\$ 25,223,262	119%
1/1/2010	\$ 148,938,462	\$ 186,635,236	\$ (37,696,774)	80%	\$ 25,896,346	146%

EMPLOYEE RETIREMENT PLAN - SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ending	Annual Required Contributions	Amount Contributed	Percentage Contributed
12/31/2014	\$ 2,313,521	\$ 2,313,521	100%
12/31/2013	\$ 2,203,855	\$ 2,203,855	100%
12/31/2012	\$ 2,251,888	\$ 2,251,888	100%
12/31/2011	\$ 2,146,500	\$ 2,146,500	100%
12/31/2010	\$ 2,265,930	\$ 2,265,930	100%
12/31/2009	\$ 1,695,028	\$ 1,695,028	100%

See Independent Auditor's Report

COUNTY OF CAMBRIA
EMPLOYEE RETIREMENT PLAN
SCHEDULE OF CHANGES IN THE COUNTY'S
NET PENSION LIABILITY AND RELATED RATIOS

	2014
Total pension liability	
Service cost	\$ 4,161,171
Interest	13,437,290
Benefit payments	(12,117,503)
Net change in pension liability	5,480,958
Total pension liability/(asset) - beginning	201,285,151
Total pension liability/(asset) - ending (A)	\$ 206,766,109
Plan fiduciary net position	
Contributions - employer	2,313,521
Contributions - member	2,697,915
Net investment income	12,086,403
Benefit payments	(12,117,503)
Administrative expenses	(80,771)
Net change in plan fiduciary net position	4,899,565
Plan fiduciary net position - beginning	184,168,873
Plan fiduciary net position - ending (B)	\$ 189,068,438
County's net pension liability/(asset) - ending (A-B)	\$ 17,697,671
Plan fiduciary net position as a percentage of the total pension liability	91%
Covered employee payroll	\$ 26,196,931
County's net pension liability as a percentage of covered employee payroll	68%

GASB No. 67, "Financial Reporting for Pension Plans" was adopted in 2014. Therefore, only one year of data is available.

COUNTY OF CAMBRIA
EMPLOYEE RETIREMENT PLAN
SCHEDULE OF COUNTY CONTRIBUTIONS

	2014
Actuarially determined contribution	\$ 2,313,521
Contributions in relation to the actuarially determined contributions	2,313,521
Contribution deficiency/(excess)	\$ -
Covered employee payroll	\$ 24,984,033
County's contributions as a percentage of covered employee payroll	9.26%

SCHEDULE OF INVESTMENT RETURNS

	2014
Annual money-weighted rate of return, net of investment expense	6.69%

GASB No. 67, "Financial Reporting for Pension Plans" was adopted in 2014. Therefore, only one year of data is available.

COUNTY OF CAMBRIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
Revenues				
Real estate taxes	\$ 38,296,021	\$ 38,296,021	\$ 36,273,997	\$ (2,022,024)
Charges for services	7,854,545	7,892,407	7,226,622	(665,785)
Interest and investment income	15,000	15,000	8,435	(6,565)
Intergovernmental revenues	11,248,523	13,984,006	11,213,715	(2,770,291)
Other	734,083	734,083	645,349	(88,734)
Total Revenues	<u>58,148,172</u>	<u>60,921,517</u>	<u>55,368,118</u>	<u>(5,553,399)</u>
Expenditures				
General government - Administrative	6,276,990	8,471,338	8,099,980	371,358
General government - Judicial	8,466,358	8,524,282	8,342,103	182,179
Public safety	6,001,745	6,009,339	5,493,348	515,991
Corrections	12,118,227	12,406,331	12,418,069	(11,738)
Public works	1,061,069	1,099,607	1,099,520	87
Human services	5,070,000	5,070,000	4,588,087	481,913
Culture and recreation	886,191	889,144	624,500	264,644
Conservation and development	2,059,065	2,170,951	1,372,927	798,024
Employee benefits	2,639,000	2,810,745	1,912,737	898,008
Debt service	142,749	222,249	32,334	189,915
Total Expenditures	<u>44,721,394</u>	<u>47,673,986</u>	<u>43,983,605</u>	<u>3,690,381</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>13,426,778</u>	<u>13,247,531</u>	<u>11,384,513</u>	<u>(1,863,018)</u>
Other Financing Sources/(Uses)				
Net long-term operating transfer from Technology Fund - offset	-	-	(7,088,466)	(7,088,466)
Operating transfers in	924,540	992,078	7,148,958	6,156,880
Operating transfers (out)	(14,101,318)	(13,991,831)	(13,093,537)	898,294
Total Other Financing Sources/(Uses)	<u>(13,176,778)</u>	<u>(12,999,753)</u>	<u>(13,033,045)</u>	<u>(33,292)</u>
Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	<u>250,000</u>	<u>247,778</u>	<u>(1,648,532)</u>	<u>(1,896,310)</u>
Fund Balance/(Deficit) - Beginning of Year	<u>-</u>	<u>-</u>	<u>(1,723,759)</u>	<u>(1,723,759)</u>
Fund Balance/(Deficit) - End of Year	<u>\$ 250,000</u>	<u>\$ 247,778</u>	<u>\$ (3,372,291)</u>	<u>\$ (3,620,069)</u>

COUNTY OF CAMBRIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BEHAVIORAL HEALTH/INTELLECTUAL DISABILITIES & EARLY INTERVENTION FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 8,294,677	\$ 8,294,677	\$ 8,266,671	\$ (28,006)
Charges for services	1,235,000	1,235,000	1,147,989	(87,011)
Interest and investment income	1,400	1,400	1,019	(381)
Other income	2,000	2,000	123	(1,877)
Total Revenues	<u>9,533,077</u>	<u>9,533,077</u>	<u>9,415,802</u>	<u>(117,275)</u>
Expenditures				
Human services	<u>9,933,077</u>	<u>9,933,077</u>	<u>9,787,434</u>	<u>145,643</u>
Total Expenditures	<u>9,933,077</u>	<u>9,933,077</u>	<u>9,787,434</u>	<u>145,643</u>
(Deficiency)/Excess of Revenue Over/(Under) Expenditures	<u>(400,000)</u>	<u>(400,000)</u>	<u>(371,632)</u>	<u>28,368</u>
Other Financing Sources/(Uses)				
Operating transfers in	400,000	400,000	371,632	(28,368)
Operating transfers (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources/ (Uses)	<u>400,000</u>	<u>400,000</u>	<u>371,632</u>	<u>(28,368)</u>
Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance/(Deficit) - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF CAMBRIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - HEALTH CHOICES FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 26,000,000	\$ 26,000,000	\$ 35,070,268	\$ 9,070,268
Charges for services	-	-	-	-
Interest and investment income	400	400	16	(384)
Other income	-	-	-	-
Total Revenues	<u>26,000,400</u>	<u>26,000,400</u>	<u>35,070,284</u>	<u>9,069,884</u>
Expenditures				
Human services	<u>26,000,000</u>	<u>26,000,000</u>	<u>35,070,284</u>	<u>(9,070,284)</u>
Total Expenditures	<u>26,000,000</u>	<u>26,000,000</u>	<u>35,070,284</u>	<u>(9,070,284)</u>
(Deficiency)/Excess of Revenue Over/(Under) Expenditures	<u>400</u>	<u>400</u>	<u>-</u>	<u>(400)</u>
Other Financing Sources/(Uses)				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Total Other Financing Sources/(Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	<u>400</u>	<u>400</u>	<u>-</u>	<u>(400)</u>
Fund Balance/(Deficit) - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 400</u>	<u>\$ 400</u>	<u>\$ -</u>	<u>\$ (400)</u>

COUNTY OF CAMBRIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CHILDREN AND YOUTH FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 7,667,668	\$ 7,667,668	\$ 7,796,460	\$ 128,792
Charges for services	135,388	135,388	163,199	27,811
Interest and investment income	-	-	-	-
Other income	-	-	150	150
Total Revenues	<u>7,803,056</u>	<u>7,803,056</u>	<u>7,959,809</u>	<u>156,753</u>
Expenditures				
Human services	<u>9,312,825</u>	<u>9,312,825</u>	<u>9,426,023</u>	<u>(113,198)</u>
Total Expenditures	<u>9,312,825</u>	<u>9,312,825</u>	<u>9,426,023</u>	<u>(113,198)</u>
(Deficiency)/Excess of Revenue Over/(Under) Expenditures	<u>(1,509,769)</u>	<u>(1,509,769)</u>	<u>(1,466,214)</u>	<u>43,555</u>
Other Financing Sources/(Uses)				
Operating transfers in	1,509,769	1,509,769	1,466,214	(43,555)
Operating transfers (out)	-	-	-	-
Total Other Financing Sources/ (Uses)	<u>1,509,769</u>	<u>1,509,769</u>	<u>1,466,214</u>	<u>(43,555)</u>
Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance/(Deficit) - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF CAMBRIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - HUMAN SERVICES FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 399,017	\$ 8,878,685	\$ 8,836,168	\$ (42,517)
Charges for services	-	-	-	-
Interest and investment income	100	100	192	92
Other income	-	-	-	-
Total Revenues	<u>399,117</u>	<u>8,878,785</u>	<u>8,836,360</u>	<u>(42,425)</u>
Expenditures				
Human services	<u>399,117</u>	<u>8,878,785</u>	<u>8,836,360</u>	<u>42,425</u>
Total Expenditures	<u>399,117</u>	<u>8,878,785</u>	<u>8,836,360</u>	<u>42,425</u>
(Deficiency)/Excess of Revenue Over/(Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources/(Uses)				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Total Other Financing Sources/ (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance/(Deficit) - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SUPPLEMENTARY
INFORMATION

COUNTY OF CAMBRIA NONMAJOR FUNDS

The following are the County's nonmajor funds, for the year ending December 31, 2014:

DEBT SERVICE FUND:

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

SPECIAL REVENUE FUNDS:

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

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

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

911 EMERGENCY COMMUNICATIONS FUND: The 911 fund is funded by a \$1.25 charge per phone line in the County. The fee is collected by each local telephone company and remitted monthly to the County net of the telephone company's admin fee. The admin fee cannot exceed 2% of total fees. 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. Furthermore, funding is received from Wireless telephones through PEMA and the VoIP (Voice over IP). Each of these are assessed a \$1 fee per line. The wireless funding goes to the state and is redistributed annually to each county and telephone provider based on requests made to PEMA. The VoIP money can either be remitted to the state or County. If remitted to the state, they take a 1% fee and then pass it onto the County monthly.

DOMESTIC RELATIONS OFFICE FUND: The PA Department of Human Services 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 Human Services 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.

CORONER VITAL STATISTICS FUND: The Office of the Coroner receives a vital statistic fee collected by the State Vital Statistics agency. For each death certificate filed with the Registrar, a \$1 (one dollar) fee is charged. The total of all fees collected on each death certificate in Cambria County are remitted by the Commonwealth of PA to the County Coroner each June 30th. The funds are utilized by the Coroner's Office for office improvements, equipment and training.

DETENTION/SHELTER FUND: This program is funded by contracts with 19 counties, including Cambria County, to house delinquent children. 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.

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

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

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

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

SUBSTANCE ABUSE FUND: The purpose of this fund is to segregate the substance abuse aspect of the Driving Under the Influence fund into a separate fund. A portion of these monies are used for drug prevention programs in local schools and during summer youth fairs hosted by Cambria County Courts.

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.

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 Creany for court-related imprisonment issues such as drug and alcohol education, or help with the detention home, jail, or prisoners.

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

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

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

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

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

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 ages 60 and older (e.g. Meals on Wheels, Senior Centers).

COUNTY RECORDS IMPROVEMENT FUND: The Cambria County Recorder of Deeds collects a \$5 fee on each recorded deed. Two dollars of the fee can be used by the County to maintain and improve the retention of County records. The remaining three dollars is to be used exclusively by the Recorder of Deeds office to maintain and improve their records retention.

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

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

BOOKING CENTER FUND: Cambria County opened a Central Booking Center (CBC) located at the Cambria County Prison. The CBC was designed to streamline arrests allowing police to return to their community faster, set specific arraignment times for all District Magistrates, and establish an automated centralized fingerprinting facility handling all arrests. The facility opened in May 2013 for the northern areas of Cambria County, going into full operations in July bring the southern end of the county including the City of Johnstown. The CBC is available 24/7 to police as well as established hours for walk-in fingerprinting for those arrested and not under police custody. The revenue is generated by assessing a booking fee to individuals processed by the Center. The fees are collected through the Clerk of Courts office and paid over to the County at the end of each month.

PROTECTION FROM ABUSE FUND: A fee of \$150 is charged to defendants of Protection from Abuse orders. That fee will be placed into a separate account and the revenue will be used to pay attorney fees for cases that require an attorney to be court appointed.

VETERAN'S COURT FUND: A fee of \$250 is assessed to defendants that are accepted into the Veteran's Court. That fee will be placed into a specific account and the revenue will be used to help offset the cost of assessments that are not covered by the Veteran's Hospital.

SHERIFF'S AUTOMATION FUND: The Sheriff's automation fee is a \$100 fee charged on each Sheriff's Sale on foreclosed property. The fee is collected and turned over at the end of each month to the Treasurer's Office to be receipted. The funds collected are used for the maintenance of the computer system used for the Sheriff's Office.

COUNTY OF CAMBRIA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2014

	<u>Debt Service Fund</u>	<u>Hotel Tax Fund</u>	<u>Redevelopment Authority</u>	<u>Liquid Fuels Tax Fund</u>
<u>ASSETS AND DEFERRED OUTFLOWS</u>				
Assets				
Cash and cash equivalents	\$ 866	\$ 13,885	\$ -	\$ 974,214
Cash Held for Clients as Representative Payee and Guardianship Program (Note 17)	-	-	-	-
Accounts receivable	-	54,525	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets and Deferred Outflows	<u>\$ 866</u>	<u>\$ 68,410</u>	<u>\$ -</u>	<u>\$ 974,214</u>
<u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</u>				
Liabilities				
Accounts payable and accrued liabilities	\$ -	\$ 68,409	\$ -	\$ -
Reserved Cash Held for Clients as Representative Payee and Guardianship Program (Note 17)	-	-	-	-
Due to other funds	866	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>866</u>	<u>68,409</u>	<u>-</u>	<u>-</u>
Deferred Inflows				
Unearned revenues	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Fund Balance				
Unassigned	-	-	-	-
Assigned	-	1	-	-
Restricted (Note 1I)	-	-	-	974,214
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balance	<u>-</u>	<u>1</u>	<u>-</u>	<u>974,214</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 866</u>	<u>\$ 68,410</u>	<u>\$ -</u>	<u>\$ 974,214</u>

COUNTY OF CAMBRIA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2014

	<u>911 Emergency Communication Fund</u>	<u>Domestic Relations Office Fund</u>	<u>Drug and Alcohol Fund</u>	<u>Coroner Vital Statistics</u>
<u>ASSETS AND DEFERRED OUTFLOWS</u>				
Assets				
Cash and cash equivalents	\$ 424,155	\$ 838	\$ 107,254	\$ 16,439
Cash Held for Clients as Representative Payee and Guardianship Program (Note 17)	-	-	-	-
Accounts receivable	101,295	-	-	-
Due from other governments	-	419,720	-	-
Due from other funds	-	-	207,382	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets and Deferred Outflows	<u>\$ 525,450</u>	<u>\$ 420,558</u>	<u>\$ 314,636</u>	<u>\$ 16,439</u>
<u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</u>				
Liabilities				
Accounts payable and accrued liabilities	\$ 233,437	\$ 72,816	\$ 193,945	\$ -
Reserved Cash Held for Clients as Representative Payee and Guardianship Program (Note 17)	-	-	-	-
Due to other funds	259,309	347,742	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>492,746</u>	<u>420,558</u>	<u>193,945</u>	<u>-</u>
Deferred Inflows				
Unearned revenues	32,704	-	120,691	16,439
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Fund Balance				
Unassigned	-	-	-	-
Assigned	-	-	-	-
Restricted (Note 11)	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 525,450</u>	<u>\$ 420,558</u>	<u>\$ 314,636</u>	<u>\$ 16,439</u>

COUNTY OF CAMBRIA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2014

	Detention/ Shelter Fund	Juvenile Probation Fund	Jail/ Detention Fund	Parks & Playgrounds Fund
<u>ASSETS AND DEFERRED OUTFLOWS</u>				
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ 3,497	\$ -
Cash Held for Clients as Representative Payee and Guardianship Program (Note 17)	-	-	-	-
Accounts receivable	-	-	2,195	-
Due from other governments	21,828	400,044	-	-
Due from other funds	41,077	-	52,900	-
Total Assets and Deferred Outflows	\$ 62,905	\$ 400,044	\$ 58,592	\$ -

LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE

Liabilities				
Accounts payable and accrued liabilities	\$ 62,905	\$ 132,861	\$ 27,092	\$ -
Reserved Cash Held for Clients as Representative Payee and Guardianship Program (Note 17)	-	-	-	-
Due to other funds	-	267,183	-	223,303
Total Liabilities	62,905	400,044	27,092	223,303
Deferred Inflows				
Unearned revenues	-	-	-	-
Fund Balance				
Unassigned	-	-	-	(223,303)
Assigned	-	-	31,500	-
Restricted (Note 11)	-	-	-	-
Total Fund Balance	-	-	31,500	(223,303)
Total Liabilities, Deferred Inflows and Fund Balance	\$ 62,905	\$ 400,044	\$ 58,592	\$ -

COUNTY OF CAMBRIA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2014

	Foster Grand- Parents Fund	Substance Abuse Fund	Capital Projects Fund
<u>ASSETS AND DEFERRED OUTFLOWS</u>			
Assets			
Cash and cash equivalents	\$ 4,711	\$ 21,236	\$ 8,853
Cash Held for Clients as Representative Payee and Guardianship Program (Note 17)	-	-	-
Accounts receivable	-	23,562	-
Due from other governments	14,329	-	-
Due from other funds	-	402,500	-
	<u>\$ 19,040</u>	<u>\$ 447,298</u>	<u>\$ 8,853</u>
Total Assets and Deferred Outflows	<u>\$ 19,040</u>	<u>\$ 447,298</u>	<u>\$ 8,853</u>
<u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</u>			
Liabilities			
Accounts payable and accrued liabilities	\$ 5,388	\$ 635	\$ -
Reserved Cash Held for Clients as Representative Payee and Guardianship Program (Note 17)	-	-	-
Due to other funds	13,652	-	-
	<u>19,040</u>	<u>635</u>	<u>-</u>
Total Liabilities	<u>19,040</u>	<u>635</u>	<u>-</u>
Deferred Inflows			
Unearned revenues	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance			
Unassigned	-	-	-
Assigned	-	446,663	8,853
Restricted (Note 1I)	-	-	-
	<u>-</u>	<u>446,663</u>	<u>8,853</u>
Total Fund Balance	<u>-</u>	<u>446,663</u>	<u>8,853</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 19,040</u>	<u>\$ 447,298</u>	<u>\$ 8,853</u>

COUNTY OF CAMBRIA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2014

	Farmland Preservation Fund	Driving Under the Influence Fund	Affordable Housing Fund	Register of Wills Automation Fund
<u>ASSETS AND DEFERRED OUTFLOWS</u>				
Assets				
Cash and cash equivalents	\$ 6,058	\$ 501,359	\$ 104,480	\$ 20,757
Cash Held for Clients as Representative Payee and Guardianship Program (Note 17)	-	-	-	-
Accounts receivable	-	52,461	-	810
Due from other governments	-	-	22,662	-
Due from other funds	20,000	1,120,270	-	-
	<u>20,000</u>	<u>1,120,270</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows	<u>\$ 26,058</u>	<u>\$ 1,674,090</u>	<u>\$ 127,142</u>	<u>\$ 21,567</u>
<u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</u>				
Liabilities				
Accounts payable and accrued liabilities	\$ 3,250	\$ 279,948	\$ -	\$ 1,500
Reserved Cash Held for Clients as Representative Payee and Guardianship Program (Note 17)	-	-	-	-
Due to other funds	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>3,250</u>	<u>279,948</u>	<u>-</u>	<u>1,500</u>
Deferred Inflows				
Unearned revenues	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance				
Unassigned	-	-	-	-
Assigned	22,808	1,394,142	127,142	20,067
Restricted (Note 1I)	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balance	<u>22,808</u>	<u>1,394,142</u>	<u>127,142</u>	<u>20,067</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 26,058</u>	<u>\$ 1,674,090</u>	<u>\$ 127,142</u>	<u>\$ 21,567</u>

COUNTY OF CAMBRIA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2014

	Dirt and Gravel Road Fund	Prothonotary Automation Fund	Clerk of Courts Automation Fund	Area Agency on Aging Fund
<u>ASSETS AND DEFERRED OUTFLOWS</u>				
Assets				
Cash and cash equivalents	\$ 81,006	\$ 20,240	\$ 49,541	\$ 81,775
Cash Held for Clients as Representative Payee and Guardianship Program (Note 17)	-	-	-	180,762
Accounts receivable	-	-	-	-
Due from other governments	-	775	710	4,970
Due from other funds	-	-	-	1,275,369
Total Assets and Deferred Outflows	<u>\$ 81,006</u>	<u>\$ 21,015</u>	<u>\$ 50,251</u>	<u>\$ 1,542,876</u>

LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE

Liabilities				
Accounts payable and accrued liabilities	\$ -	\$ 4,566	\$ 750	\$ 513,755
Reserved Cash Held for Clients as Representative Payee and Guardianship Program (Note 17)	-	-	-	180,762
Due to other funds	-	-	-	-
Total Liabilities	<u>-</u>	<u>4,566</u>	<u>750</u>	<u>694,517</u>
Deferred Inflows				
Unearned revenues	<u>81,006</u>	<u>-</u>	<u>-</u>	<u>848,359</u>
Fund Balance				
Unassigned	-	-	-	-
Assigned	-	16,449	49,501	-
Restricted (Note 11)	-	-	-	-
Total Fund Balance	<u>-</u>	<u>16,449</u>	<u>49,501</u>	<u>-</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 81,006</u>	<u>\$ 21,015</u>	<u>\$ 50,251</u>	<u>\$ 1,542,876</u>

See Independent Auditor's Report

COUNTY OF CAMBRIA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2014

	<u>County Records Improvement Fund</u>	<u>HMERA Fund</u>	<u>SHARP Fund</u>	<u>Booking Center Fund</u>
<u>ASSETS AND DEFERRED OUTFLOWS</u>				
Assets				
Cash and cash equivalents	\$ 257,158	\$ 64,050	\$ 21,570	\$ 4
Cash Held for Clients as Representative Payee and Guardianship Program (Note 17)	-	-	-	-
Accounts receivable	-	-	-	14,698
Due from other governments	14,915	1,769	-	-
Due from other funds	2,500	-	-	-
	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows	<u>\$ 274,573</u>	<u>\$ 65,819</u>	<u>\$ 21,570</u>	<u>\$ 14,702</u>
<u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</u>				
Liabilities				
Accounts payable and accrued liabilities	\$ 2,500	\$ 7,735	\$ 33	\$ 8,471
Reserved Cash Held for Clients as Representative Payee and Guardianship Program (Note 17)	-	-	-	-
Due to other funds	-	3	-	444,839
	<u>-</u>	<u>3</u>	<u>-</u>	<u>444,839</u>
Total Liabilities	<u>2,500</u>	<u>7,738</u>	<u>33</u>	<u>453,310</u>
Deferred Inflows				
Unearned revenues	-	81	-	-
	<u>-</u>	<u>81</u>	<u>-</u>	<u>-</u>
Fund Balance				
Unassigned	-	-	-	(438,608)
Assigned	272,073	58,000	21,537	-
Restricted (Note 1I)	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balance	<u>272,073</u>	<u>58,000</u>	<u>21,537</u>	<u>(438,608)</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 274,573</u>	<u>\$ 65,819</u>	<u>\$ 21,570</u>	<u>\$ 14,702</u>

COUNTY OF CAMBRIA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2014

	<u>Protection From Abuse Fund</u>	<u>Veteran's Court Fund</u>	<u>Sheriff's Automation Fund</u>	<u>Total</u>
<u>ASSETS AND DEFERRED OUTFLOWS</u>				
Assets				
Cash and cash equivalents	\$ 11,949	\$ 11,485	\$ 23,555	\$ 2,830,935
Cash Held for Clients as Representative Payee and Guardianship Program (Note 17)	-	-	-	180,762
Accounts receivable	96	820	1,400	251,862
Due from other governments	-	-	-	901,722
Due from other funds	-	-	-	3,121,998
Total Assets and Deferred Outflows	<u>\$ 12,045</u>	<u>\$ 12,305</u>	<u>\$ 24,955</u>	<u>\$ 7,287,279</u>
<u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</u>				
Liabilities				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 1,619,996
Reserved Cash Held for Clients as Representative Payee and Guardianship Program (Note 17)	-	-	-	180,762
Due to other funds	-	-	-	1,556,897
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,357,655</u>
Deferred Inflows				
Unearned revenues	-	-	-	1,099,280
Fund Balance				
Unassigned	-	-	-	(661,911)
Assigned	12,045	12,305	24,955	2,518,041
Restricted (Note 11)	-	-	-	974,214
Total Fund Balance	<u>12,045</u>	<u>12,305</u>	<u>24,955</u>	<u>2,830,344</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 12,045</u>	<u>\$ 12,305</u>	<u>\$ 24,955</u>	<u>\$ 7,287,279</u>

COUNTY OF CAMBRIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2014

	Debt Service Fund	Hotel Tax Fund	Redevelopment Authority	Liquid Fuels Tax Fund
Revenues				
Intergovernmental revenues	\$ -	\$ -	\$ 1,869,954	\$ 580,661
Charges for services	-	-	-	-
Interest and investment income	-	35	-	4,506
Other income	-	387,310	-	-
Total Revenues	-	387,345	1,869,954	585,167
Expenditures				
General government - administrative	-	-	-	-
Human services	-	-	-	-
General government - judicial	-	-	-	-
Public safety	-	-	-	-
Corrections	-	-	-	-
Public works	-	-	-	517,282
Culture and recreation	-	-	-	-
Emergency communication services	-	-	-	-
Debt service	3,882,349	-	-	-
Conservation and development	-	379,598	1,869,954	-
Total Expenditures	3,882,349	379,598	1,869,954	517,282
(Deficiency)/Excess of Revenue Over/(Under) Expenditures	(3,882,349)	7,747	-	67,885
Other Financing Sources/(Uses)				
Proceeds from bond refunding	45,341,701	-	-	-
Proceeds from bond premium	4,783,717	-	-	-
Payments for refunding	(35,903,650)	-	-	-
Payment to refunding escrow agent	(6,871,930)	-	-	-
Bond issuance costs	(524,873)	-	-	-
Prepayment penalty	(467,948)	-	-	-
Transfer to Technology fund for refunding	(6,147,048)	-	-	-
Operating transfers in	3,672,719	-	-	-
Operating transfers (out)	(339)	(7,747)	-	-
Total Other Financing Sources/ (Uses)	3,882,349	(7,747)	-	-
(Deficiency)/Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	-	-	-	67,885
Fund Balance - Beginning of Year	-	1	-	906,329
Fund Balance - End of Year	\$ -	\$ 1	\$ -	\$ 974,214

COUNTY OF CAMBRIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2014

	911 Emergency Communication Fund	Domestic Relations Office Fund	Drug and Alcohol Fund	Coroner Vital Statistics
Revenues				
Intergovernmental revenues	\$ 1,696,138	\$ 1,399,534	\$ 1,493,169	\$ 9,575
Charges for services	547,125	18,533	-	-
Interest and investment income	1,887	79	358	28
Other income	3,844	104	-	-
Total Revenues	2,248,994	1,418,250	1,493,527	9,603
Expenditures				
General government - administrative	-	-	-	-
Human services	-	-	1,518,638	-
General government - judicial	-	2,410,432	-	9,603
Public safety	-	-	-	-
Corrections	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Emergency communication services	2,929,505	-	-	-
Debt service	-	-	-	-
Conservation and development	-	-	-	-
Total Expenditures	2,929,505	2,410,432	1,518,638	9,603
(Deficiency)/Excess of Revenue				
(Under) Expenditures	(680,511)	(992,182)	(25,111)	-
Other Financing Sources/(Uses)				
Proceeds from bond refunding	-	-	-	-
Proceeds from bond premium	-	-	-	-
Payments for refunding	-	-	-	-
Payment to refunding escrow agent	-	-	-	-
Bond issuance costs	-	-	-	-
Prepayment penalty	-	-	-	-
Transfer to Technology fund for refunding	-	-	-	-
Operating transfers in	680,511	992,182	25,111	-
Operating transfers (out)	-	-	-	-
Total Other Financing Sources/ (Uses)	680,511	992,182	25,111	-
(Deficiency) 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

COUNTY OF CAMBRIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2014

	Detention/ Shelter Fund	Juvenile Probation Fund	Jail/ Detention Fund	Parks & Playgrounds Fund
Revenues				
Intergovernmental revenues	\$ -	\$ 1,076,952	\$ -	\$ -
Charges for services	590,143	-	-	-
Interest and investment income	-	-	62	-
Other income	152	17,210	22,047	-
Total Revenues	590,295	1,094,162	22,109	-
Expenditures				
General government - administrative	-	-	-	-
Human services	-	-	-	-
General government - judicial	-	-	27,093	-
Public safety	-	-	-	-
Corrections	1,501,343	2,942,670	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	654,313
Emergency communication services	-	-	-	-
Debt service	-	-	-	-
Conservation and development	-	-	-	-
Total Expenditures	1,501,343	2,942,670	27,093	654,313
(Deficiency)/Excess of Revenue				
Over/(Under) Expenditures	<u>(911,048)</u>	<u>(1,848,508)</u>	<u>(4,984)</u>	<u>(654,313)</u>
Other Financing Sources/(Uses)				
Proceeds from bond refunding	-	-	-	-
Proceeds from bond premium	-	-	-	-
Payments for refunding	-	-	-	-
Payment to refunding escrow agent	-	-	-	-
Bond issuance costs	-	-	-	-
Prepayment penalty	-	-	-	-
Transfer to Technology fund for refunding	-	-	-	-
Operating transfers in	911,048	1,848,508	-	609,038
Operating transfers (out)	-	-	-	-
Total Other Financing Sources/ (Uses)	911,048	1,848,508	-	609,038
Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	-	-	(4,984)	(45,275)
Fund Balance - Beginning of Year	-	-	36,484	(178,028)
Fund Balance - End of Year	\$ -	\$ -	\$ 31,500	\$ (223,303)

COUNTY OF CAMBRIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2014

	Foster Grand- Parent Fund	Substance Abuse Fund	Capital Projects Fund
Revenues			
Intergovernmental revenues	\$ 404,606	\$ -	\$ -
Charges for services	-	-	-
Interest and investment income	62	677	1
Other income	202,554	238,423	-
Total Revenues	607,222	239,100	1
Expenditures			
General government - administrative	-	-	-
Human services	607,222	-	-
General government - judicial	-	310,300	-
Public safety	-	-	-
Corrections	-	-	-
Public works	-	-	-
Culture and recreation	-	-	-
Emergency communication services	-	-	-
Debt service	-	-	-
Conservation and development	-	-	-
Total Expenditures	607,222	310,300	-
(Deficiency)/Excess of Revenue Over/(Under) Expenditures	-	(71,200)	1
Other Financing Sources/(Uses)			
Proceeds from bond refunding	-	-	-
Proceeds from bond premium	-	-	-
Payments for refunding	-	-	-
Payment to refunding escrow agent	-	-	-
Bond issuance costs	-	-	-
Prepayment penalty	-	-	-
Transfer to Technology fund for refunding	-	-	-
Operating transfers in	-	-	-
Operating transfers (out)	-	(15,000)	-
Total Other Financing Sources/ (Uses)	-	(15,000)	-
Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	-	(86,200)	1
Fund Balance - Beginning of Year	-	532,863	8,852
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ 446,663</u>	<u>\$ 8,853</u>

COUNTY OF CAMBRIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2014

	Farmland Preservation Fund	Driving Under the Influence Fund	Affordable Housing Fund	Register of Wills Automation Fund
Revenues				
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Interest and investment income	(3)	2,222	282	44
Other income	18,009	477,224	108,532	14,500
Total Revenues	18,006	479,446	108,814	14,544
Expenditures				
General government - administrative	-	-	-	-
Human services	-	-	-	-
General government - judicial	-	547,277	-	7,454
Public safety	-	-	-	-
Corrections	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Emergency communication services	-	-	-	-
Debt service	-	-	-	-
Conservation and development	16,217	-	142,375	-
Total Expenditures	16,217	547,277	142,375	7,454
Excess of Revenue				
Over/(Under) Expenditures	1,789	(67,831)	(33,561)	7,090
Other Financing Sources/(Uses)				
Proceeds from bond refunding	-	-	-	-
Proceeds from bond premium	-	-	-	-
Payments for refunding	-	-	-	-
Payment to refunding escrow agent	-	-	-	-
Bond issuance costs	-	-	-	-
Prepayment penalty	-	-	-	-
Transfer to Technology fund for refunding	-	-	-	-
Operating transfers in	20,000	-	-	-
Operating transfers (out)	-	(350,000)	-	-
Total Other Financing Sources/ (Uses)	20,000	(350,000)	-	-
(Deficiency)/Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	21,789	(417,831)	(33,561)	7,090
Fund Balance - Beginning of Year	1,019	1,811,973	160,703	12,977
Fund Balance - End of Year	\$ 22,808	\$ 1,394,142	\$ 127,142	\$ 20,067

COUNTY OF CAMBRIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2014

	Dirt and Gravel Road Fund	Prothonotary Automation Fund	Clerk of Courts Automation Fund	Area Agency on Aging Fund
Revenues				
Intergovernmental revenues	\$ 39,873	\$ -	\$ -	\$ 5,735,101
Charges for services	-	-	-	205,643
Interest and investment income	230	35	123	3,893
Other income	-	11,045	7,963	17,875
Total Revenues	40,103	11,080	8,086	5,962,512
Expenditures				
General government - administrative	-	-	-	-
Human services	-	-	-	5,962,512
General government - judicial	-	10,065	3,508	-
Public safety	-	-	-	-
Corrections	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Emergency communication services	-	-	-	-
Debt service	-	-	-	-
Conservation and development	40,103	-	-	-
Total Expenditures	40,103	10,065	3,508	5,962,512
Excess of Revenue				
Over/(Under) Expenditures	-	1,015	4,578	-
Other Financing Sources/(Uses)				
Proceeds from bond refunding	-	-	-	-
Proceeds from bond premium	-	-	-	-
Payments for refunding	-	-	-	-
Payment to refunding escrow agent	-	-	-	-
Bond issuance costs	-	-	-	-
Prepayment penalty	-	-	-	-
Transfer to Technology fund for refunding	-	-	-	-
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Total Other Financing Sources/ (Uses)	-	-	-	-
Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	-	1,015	4,578	-
Fund Balance - Beginning of Year	-	15,434	44,923	-
Fund Balance - End of Year	\$ -	\$ 16,449	\$ 49,501	\$ -

COUNTY OF CAMBRIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2014

	County Records Improvement Fund	HMER Fund	SHARP Fund	Booking Center Fund
Revenues				
Intergovernmental revenues	\$ -	\$ 17,986	\$ -	\$ -
Charges for services	77,310	25,350	-	-
Interest and investment income	224	144	43	12
Other income	-	-	4,237	131,552
	<u>77,534</u>	<u>43,480</u>	<u>4,280</u>	<u>131,564</u>
Total Revenues				
Expenditures				
General government - administrative	11,710	-	-	-
Human services	-	-	-	-
General government - judicial	-	-	-	-
Public safety	-	31,904	4,762	-
Corrections	-	-	-	367,161
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Emergency communication services	-	-	-	-
Debt service	-	-	-	-
Conservation and development	-	-	-	-
	<u>11,710</u>	<u>31,904</u>	<u>4,762</u>	<u>367,161</u>
Total Expenditures				
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	<u>65,824</u>	<u>11,576</u>	<u>(482)</u>	<u>(235,597)</u>
Other Financing Sources/(Uses)				
Proceeds from bond refunding	-	-	-	-
Proceeds from bond premium	-	-	-	-
Payments for refunding	-	-	-	-
Payment to refunding escrow agent	-	-	-	-
Bond issuance costs	-	-	-	-
Prepayment penalty	-	-	-	-
Transfer to Technology fund for refunding	-	-	-	-
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources/ (Uses)				
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	<u>65,824</u>	<u>11,576</u>	<u>(482)</u>	<u>(235,597)</u>
Fund Balance - Beginning of Year	<u>206,249</u>	<u>46,424</u>	<u>22,019</u>	<u>(203,011)</u>
Fund Balance - End of Year	<u>\$ 272,073</u>	<u>\$ 58,000</u>	<u>\$ 21,537</u>	<u>\$ (438,608)</u>

COUNTY OF CAMBRIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2014

	Protection From Abuse Fund	Veteran's Court Fund	Sheriff's Automation Fund	Total
Revenues				
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ 14,323,549
Charges for services	-	-	-	1,464,104
Interest and investment income	1	20	33	14,998
Other income	6,778	6,638	22,701	1,698,698
Total Revenues	6,779	6,658	22,734	17,501,349
Expenditures				
General government - administrative	-	-	-	11,710
Human services	-	-	-	8,088,372
General government - judicial	440	11,980	-	3,338,152
Public safety	-	-	10,395	47,061
Corrections	-	-	-	4,811,174
Public works	-	-	-	517,282
Culture and recreation	-	-	-	654,313
Emergency communication services	-	-	-	2,929,505
Debt service	-	-	-	3,882,349
Conservation and development	-	-	-	2,448,247
Total Expenditures	440	11,980	10,395	26,728,165
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	6,339	(5,322)	12,339	(9,226,816)
Other Financing Sources/(Uses)				
Proceeds from bond refunding	-	-	-	45,341,701
Proceeds from bond premium	-	-	-	4,783,717
Payments for refunding	-	-	-	(35,903,650)
Payment to refunding escrow agent	-	-	-	(6,871,930)
Bond issuance costs	-	-	-	(524,873)
Prepayment penalty	-	-	-	(467,948)
Transfer to Technology fund for refunding	-	-	-	(6,147,048)
Operating transfers in	-	15,000	-	8,774,117
Operating transfers (out)	-	-	-	(373,086)
Total Other Financing Sources/ (Uses)	-	15,000	-	8,611,000
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	6,339	9,678	12,339	(615,816)
Fund Balance - Beginning of Year	5,706	2,627	12,616	3,446,160
Fund Balance - End of Year	<u>\$ 12,045</u>	<u>\$ 12,305</u>	<u>\$ 24,955</u>	<u>2,830,344</u>

COMPONENT UNIT COMBINING
AND
INDIVIDUAL FUND
FINANCIAL STATEMENTS

COUNTY OF CAMBRIA
 COMBINING STATEMENT OF NET POSITION - COMPONENT UNITS
 DECEMBER 31, 2014

	Planning Commission	Redevelopment Authority	Library Association	Municipal Airport Authority	Transit Authority	Economic Development Authority
ASSETS						
Current assets						
Cash and cash equivalents	\$ 76,167	\$ 446,474	\$ 307,292	\$ 460,213	\$ 8,689,283	\$ 132,514
Investments	-	-	997,017	300,000	-	-
Accounts receivable	45,319	-	31,637	26,122	101,244	-
Due from other governments	-	155,498	-	188,811	1,395,095	37,500
Inventory	-	-	-	-	477,297	-
Other assets	-	1,188	-	-	-	-
Total current assets	<u>121,486</u>	<u>603,160</u>	<u>1,335,946</u>	<u>975,146</u>	<u>10,662,919</u>	<u>170,014</u>
Non-current assets						
Fixed assets (net of accumulated depreciation)	1,124	1,602,403	775,374	13,435,609	31,848,339	-
Other assets	-	453,475	-	-	-	-
Total non-current assets	<u>1,124</u>	<u>2,055,878</u>	<u>775,374</u>	<u>13,435,609</u>	<u>31,848,339</u>	<u>-</u>
DEFERRED OUTFLOWS						
Prepaid expenses	896	-	12,813	-	151,673	6,733
Total Assets and Deferred Outflows	<u>\$ 123,506</u>	<u>\$ 2,659,038</u>	<u>\$ 2,124,133</u>	<u>\$ 14,410,755</u>	<u>\$ 42,662,931</u>	<u>\$ 176,747</u>
LIABILITIES						
Current liabilities						
Accounts payable and accrued liabilities	\$ 3,456	\$ 491,289	\$ 37,318	\$ 84,601	\$ 1,892,274	\$ 8,434
Due to other governments	-	100,000	-	-	-	-
Lines of credit	-	-	-	-	-	-
Bonds and notes payable	-	-	-	31,850	-	-
Obligation under capital lease	-	-	-	-	-	-
Total current liabilities	<u>3,456</u>	<u>591,289</u>	<u>37,318</u>	<u>116,451</u>	<u>1,892,274</u>	<u>8,434</u>
Non-current liabilities						
Other liabilities	-	-	-	-	-	-
Bonds and notes payable	-	-	-	509,747	-	-
Obligation under capital lease	-	-	-	-	-	-
Total non-current liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>509,747</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS						
Unearned revenue	-	453,475	118,356	738,991	8,574,095	-
NET POSITION						
Investment in fixed assets, net of related debt	1,124	1,602,403	775,374	12,894,012	31,848,339	-
Restricted (Note 1m)	-	-	564,435	-	-	-
Unrestricted	118,926	11,871	628,650	151,554	348,223	168,313
Total Net Position	<u>120,050</u>	<u>1,614,274</u>	<u>1,968,459</u>	<u>13,045,566</u>	<u>32,196,562</u>	<u>168,313</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 123,506</u>	<u>\$ 2,659,038</u>	<u>\$ 2,124,133</u>	<u>\$ 14,410,755</u>	<u>\$ 42,662,931</u>	<u>\$ 176,747</u>

COUNTY OF CAMBRIA
 COMBINING STATEMENT OF NET POSITION - COMPONENT UNITS
 DECEMBER 31, 2014

	Solid Waste Management Authority	Conservation and Recreation Authority	Penn Highlands Community College	Behavioral Health of Cambria County	War Memorial Arena Authority	Totals
ASSETS						
Current assets						
Cash and cash equivalents	\$ 40,087	\$ 183,697	\$ 4,160,735	\$ 4,130,896	\$ 170,863	\$ 18,798,221
Investments	-	-	-	-	-	1,297,017
Accounts receivable	5,154	-	141,901	354	38,938	390,669
Due from other governments	163,600	5,396	67,958	5,469,128	-	7,482,986
Inventory	-	-	-	-	16,004	493,301
Other assets	-	-	-	-	-	1,188
Total current assets	<u>208,841</u>	<u>189,093</u>	<u>4,370,594</u>	<u>9,600,378</u>	<u>225,805</u>	<u>28,463,382</u>
Non-current assets						
Fixed assets (net of accumulated depreciation)	261,471	7,353,545	10,966,609	5,941	408,094	66,658,509
Other assets	-	-	-	-	196,767	650,242
Total non-current assets	<u>261,471</u>	<u>7,353,545</u>	<u>10,966,609</u>	<u>5,941</u>	<u>604,861</u>	<u>67,308,751</u>
DEFERRED OUTFLOWS						
Prepaid expenses	7,452	-	156,179	479,506	-	815,252
Total Assets and Deferred Outflows	<u>\$ 477,764</u>	<u>\$ 7,542,638</u>	<u>\$ 15,493,382</u>	<u>\$ 10,085,825</u>	<u>\$ 830,666</u>	<u>\$ 96,587,385</u>
LIABILITIES						
Current liabilities						
Accounts payable and accrued liabilities	\$ 26,867	\$ 2,575	\$ 1,083,154	\$ 40,053	\$ 219,979	\$ 3,890,000
Due to other governments	-	-	20,298	4,980,718	-	5,101,016
Lines of credit	-	-	-	-	85,594	85,594
Bonds and notes payable	-	-	997,585	-	9,543	1,038,978
Obligation under capital lease	-	-	164,842	-	-	164,842
Total current liabilities	<u>26,867</u>	<u>2,575</u>	<u>2,265,879</u>	<u>5,020,771</u>	<u>315,116</u>	<u>10,280,430</u>
Non-current liabilities						
Other liabilities	-	-	-	-	196,767	196,767
Bonds and notes payable	-	-	1,343,250	-	3,695	1,856,692
Obligation under capital lease	-	-	226,498	-	-	226,498
Total non-current liabilities	<u>-</u>	<u>-</u>	<u>1,569,748</u>	<u>-</u>	<u>200,462</u>	<u>2,279,957</u>
DEFERRED INFLOWS						
Unearned revenue	-	53,913	232,681	2,110,489	8,407	12,290,407
NET POSITION						
Investment in fixed assets, net of related debt	261,471	7,353,545	8,234,434	5,941	309,262	63,285,905
Restricted (Note 1m)	-	-	1,216,029	2,097,701	-	3,878,165
Unrestricted	189,426	132,605	1,974,611	850,923	(2,581)	4,572,521
Total Net Position	<u>450,897</u>	<u>7,486,150</u>	<u>11,425,074</u>	<u>2,954,565</u>	<u>306,681</u>	<u>71,736,591</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 477,764</u>	<u>\$ 7,542,638</u>	<u>\$ 15,493,382</u>	<u>\$ 10,085,825</u>	<u>\$ 830,666</u>	<u>\$ 96,587,385</u>

COUNTY OF CAMBRIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN NET POSITION - GOVERNMENTAL TYPE COMPONENT UNITS
 FOR THE YEAR ENDED DECEMBER 31, 2014

	Redevelopment Authority	Library Association	Conservation and Recreation Authority	Total
Revenues:				
Intergovernmental revenues	\$ 2,097,107	\$ 866,317	\$ 18,147	\$ 2,981,571
County appropriations	60,000	615,000	155,000	830,000
Charges for services	69,193	55,139	-	124,332
Interest and investment income	-	34,185	16	34,201
Realized gain/(loss) on investments	-	1,345	-	1,345
Unrealized gain/(loss) on investments	-	(65)	-	(65)
Other	403,446	82,368	10,941	496,755
Total Revenues	2,629,746	1,654,289	184,104	4,468,139
Expenditures:				
Conservation and development	2,395,930	-	204,258	2,600,188
Culture and recreation	-	1,759,761	-	1,759,761
Total Expenditures	2,395,930	1,759,761	204,258	4,359,949
Change in Net Position	233,816	(105,472)	(20,154)	108,190
Net Position - Beginning of Year	1,380,458	2,073,931	7,506,304	10,960,693
Net Position - End of Year	\$ 1,614,274	\$ 1,968,459	\$ 7,486,150	\$ 11,068,883

See Independent Auditor's Report

COUNTY OF CAMBRIA
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 FOR BUSINESS-TYPE ACTIVITY COMPONENT UNITS
 FOR THE YEAR ENDED DECEMBER 31, 2014

	Planning Commission	Municipal Airport Authority	Transit Authority	Economic Development Authority	Solid Waste Management Authority
Operating Revenues:					
Charges for services	\$ 230,366	\$ 370,345	\$ 1,052,843	\$ -	\$ 164
Intergovernmental revenues	-	-	586,933	-	70,526
Other	9,611	165,020	215,249	-	31,453
Total Operating Revenues	239,977	535,365	1,855,025	-	102,143
Operating Expenses:					
Public works	264,687	561,520	9,476,398	-	455,175
Human Services	-	-	-	-	-
Education and general	-	-	-	-	-
Conservation and development	-	-	-	89,923	-
Depreciation	743	1,099,770	1,627,017	-	31,409
Total Operating Expenses	265,430	1,661,290	11,103,415	89,923	486,584
Operating Income/(Loss)	(25,453)	(1,125,925)	(9,248,390)	(89,923)	(384,441)
Non-Operating Revenues/(Expenses):					
Investment income	30	812	18,210	621	31
Gain/(loss) on sale of assets	-	13,000	(7,982)	-	-
Federal appropriations	-	-	1,486,190	-	-
State appropriations	-	-	5,452,250	-	-
Financial Aid Revenue	-	-	-	-	-
Financial Aid (Expenses)	-	-	-	-	-
County appropriations	71,300	174,000	664,724	150,000	340,000
Other non-operating revenue/(expense)	-	20,513	-	-	-
Interest expense	-	(14,361)	-	-	-
Total Non-Operating Revenues/ (Expenses)	71,330	193,964	7,613,392	150,621	340,031
Change in Net Position Before Capital Contributions	45,877	(931,961)	(1,634,998)	60,698	(44,410)
Capital Contributions	-	740,909	16,199,174	-	-
Total Change in Net Position	45,877	(191,052)	14,564,176	60,698	(44,410)
Net Position Beginning of Year	74,173	13,236,618	17,632,386	107,615	495,307
Prior Period Adjustment	-	-	-	-	-
Net Position Beginning of Year, as restated	74,173	13,236,618	17,632,386	107,615	495,307
Net Position - End of Year	\$ 120,050	\$ 13,045,566	\$ 32,196,562	\$ 168,313	\$ 450,897

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COUNTY OF CAMBRIA
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 FOR BUSINESS-TYPE ACTIVITY COMPONENT UNITS
 FOR THE YEAR ENDED DECEMBER 31, 2014

	Penn Highlands Community College	Behavioral Health of Cambria County	War Memorial Arena Authority	Total
Operating Revenues:				
Charges for services	\$ 7,452,972	\$ 12,570	\$ 1,378,594	\$ 10,497,854
Intergovernmental revenues	736,695	32,340,269	-	33,734,423
Other	315,097	147,501	-	883,931
Total Operating Revenues	8,504,764	32,500,340	1,378,594	45,116,208
Operating Expenses:				
Public works	-	-	-	10,757,780
Human Services	-	32,197,385	-	32,197,385
Education and general	11,609,738	-	1,584,874	13,194,612
Conservation and development	-	-	-	89,923
Depreciation	990,397	-	54,060	3,803,396
Total Operating Expenses	12,600,135	32,197,385	1,638,934	60,043,096
Operating Income/(Loss)	<u>(4,095,371)</u>	<u>302,955</u>	<u>(260,340)</u>	<u>(14,926,888)</u>
Non-Operating Revenues/(Expenses):				
Investment income	-	22,949	-	42,653
Gain/(loss) on sale of assets	-	-	(15,321)	(10,303)
Federal appropriations	-	-	-	1,486,190
State appropriations	3,589,806	-	-	9,042,056
Financial Aid Revenue	7,461,514	-	-	7,461,514
Financial Aid (Expenses)	(7,464,587)	-	-	(7,464,587)
County appropriations	1,049,130	-	536,190	2,985,344
Other non-operating revenue/(expense)	95,103	73,889	1,104	190,609
Interest expense	(96,318)	-	-	(110,679)
Total Non-Operating Revenues/ (Expenses)	4,634,648	96,838	521,973	13,622,797
Change in Net Position Before Capital Contributions	539,277	399,793	261,633	(1,304,091)
Capital Contributions	-	-	-	16,940,083
Total Change in Net Position	539,277	399,793	261,633	15,635,992
Net Position Beginning of Year	10,885,797	1,417,749	367,002	44,216,647
Prior Period Adjustment	-	1,137,023	(321,954)	815,069
Net Position Beginning of Year, as restated	<u>10,885,797</u>	<u>2,554,772</u>	<u>45,048</u>	<u>45,031,716</u>
Net Position - End of Year	<u>\$ 11,425,074</u>	<u>\$ 2,954,565</u>	<u>\$ 306,681</u>	<u>\$ 60,667,708</u>

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