



COUNTY OF CAMBRIA
PENNSYLVANIA

Basic Financial Statements

December 31, 2013

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, 2013. 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 current year or short term view of the financial outlook for the county saw a \$2.7 million increase. The county was in the black; however, this was primarily due to the \$5 million influx of cash from terming out \$5 million dollars of the \$10 million Tax Anticipation Loan of 2013.
- The long term view of the financial outlook was in the red with an overall loss of \$1.1 million. This was an increase of \$1.03 million from 2012.
- The General Fund reported an ending fund balance of (\$1.72) million, which was an increase of \$719,247 from 2012.
- The General Fund unassigned fund balance was (\$1.72) million, an increase of \$726,789 million from the 2012 unassigned fund balance.
- Government-wide net position (assets plus deferred outflows less liabilities and deferred inflows) at the end of the year was \$2.71 million, a decrease of \$1.5 million from 2012.
- The balance of outstanding notes payable was \$33.09 million, a decrease of \$2.23 million from 2012. The outstanding balance of obligations under capital leases was \$21.68 million, an increase of \$3.09 million from 2012.
- For calendar year 2013, 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 for which the County has financial accountability. 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, 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 has two business-type activities – Central Park Complex and Technology. The Central Park Complex generates rental income from the agencies and tenants that occupy the building to help offset the operating costs. Technology collects 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.

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, four have been identified as major funds based on minimum criteria set forth in GASB 34. The major governmental funds reported in the financial statements for the County are the General Fund, the Behavioral Health/Intellectual Disabilities & Early Intervention Fund, the Health Choices Fund, and the Children and Youth 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, Human Services, 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 (HMER), Special Hazardous Assistance Response Team (SHARP), Booking Center, Protection from Abuse, Veterans 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 maintains 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 has two enterprise funds – Central Park Complex and Technology. 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, 2013 and 2012.

Cambria County Primary Government Summary of Net Position December 31, 2013 and 2012							
		Governmental Activities		Business-type Activities		Total	
Assets:		2013	2012	2013	2012	2013	2012
	Current Assets	\$22,231,448	\$19,106,585	(\$1,079,311)	\$ 134,634	\$21,152,137	\$19,241,219
	Non-current Assets	<u>45,397,223</u>	<u>48,075,954</u>	<u>11,466,276</u>	<u>11,619,013</u>	<u>56,863,499</u>	<u>59,694,967</u>
	Total Assets	<u>67,628,671</u>	<u>67,182,539</u>	<u>10,386,965</u>	<u>11,753,647</u>	<u>78,015,636</u>	<u>78,936,186</u>
Liabilities:							
	Current Liabilities	19,751,854	18,998,909	696,933	1,136,946	20,448,787	20,135,855
	Non-current Liabilities	<u>42,500,425</u>	<u>41,386,991</u>	<u>9,446,326</u>	<u>10,343,254</u>	<u>51,946,751</u>	<u>51,730,245</u>
	Total Liabilities	<u>62,252,279</u>	<u>60,385,900</u>	<u>10,143,259</u>	<u>11,480,200</u>	<u>72,395,538</u>	<u>71,866,100</u>
Deferred Inflows:							
	Unearned Revenues	<u>2,912,405</u>	<u>2,883,565</u>	<u>1,500</u>	<u>---</u>	<u>2,913,905</u>	<u>2,883,565</u>
Net Position:							
	Investments in Capital Assets, Net Of Related Debt	(717,571)	4,243,250	1,384,617	203,877	667,046	4,447,127
	Unrestricted	3,181,058	(338,218)	(1,142,411)	69,570	2,038,647	(268,648)
	Restricted	<u>500</u>	<u>8,042</u>	<u>---</u>	<u>---</u>	<u>500</u>	<u>8,042</u>
	Total Net Position	<u>\$2,463,987</u>	<u>\$3,913,074</u>	<u>\$ 242,206</u>	<u>\$ 273,447</u>	<u>\$2,706,193</u>	<u>\$4,186,521</u>

Total net position: Net position of the County's governmental activities was \$2.46 million, a decrease of \$1.45 million from 2012. Of this amount, \$(717,571) represents investments in capital assets, net of related debt. The unrestricted net position balance as of the end of the year was \$3.18 million, which represents an increase of \$3.52 million from 2012. The restricted net position balance for the Library Association was \$500, a decrease of \$7,542 from the prior year.

Net position of the County's business-type activities was \$242,206, a decrease of \$31,241 from 2012. Of the total net position, \$1.38 million represents investments in capital assets, net of related debt. The unrestricted net position balance at year-end was \$(1.14) million, which represents a decrease of \$1.21 million from 2012.

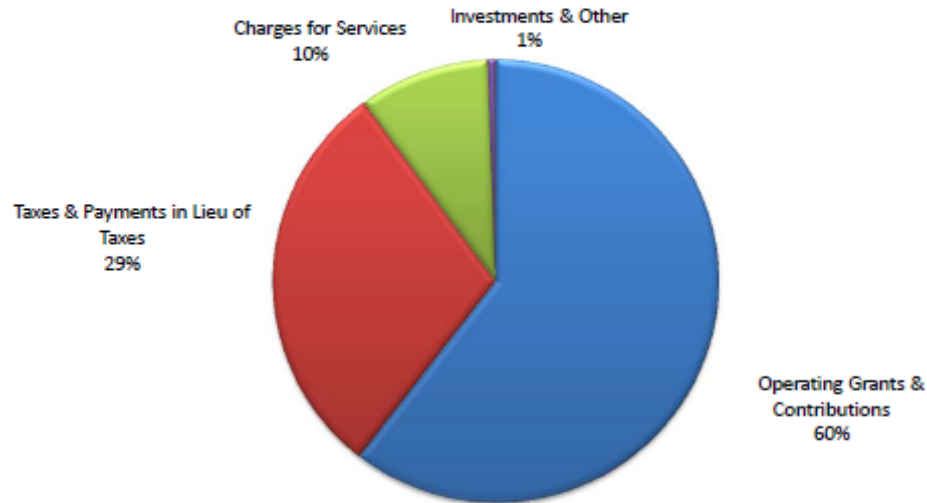
Government-wide Statement of Activities

The table below summarizes the changes of net position for the primary government for the period ended December 31, 2013 and 2012:

Cambria County Primary Government Summary of Changes in Net Position For the Years Ended December 31, 2013 and 2012						
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program Revenues:						
Charges for Services	\$11,816,934	\$11,972,878	\$ 806,090	\$ 947,231	\$12,623,024	\$12,920,109
Operating Grants & Contributions	75,097,103	69,997,138	---	---	75,097,103	69,997,138
Capital Grants & Contributions	563,663	199,534	---	---	563,663	199,534
General Revenues:						
Taxes & Payments in Lieu of Taxes	36,507,371	36,353,153	---	---	36,507,371	36,353,153
(Loss)/Gain from Sale of Assets	(10,167)	(23,947)	---	---	(10,167)	(23,947)
Unrestricted Investment Earnings	31,206	41,532	6	48	31,212	41,580
Other Revenues	110,341	319,284	---	---	122,841	319,284
Total Revenues	124,116,451	118,859,572	818,596	947,279	124,935,047	119,806,851
Expenses:						
General Government-Administrative	11,823,956	5,893,632	---	---	11,823,956	5,893,632
General Government-Judicial	12,467,185	11,281,637	---	---	12,467,185	11,281,637
Public Safety	20,326,353	21,715,473	---	---	20,326,353	21,715,473
Public Works	506,874	539,517	---	---	506,874	539,517
Human Services	61,304,830	60,716,146	---	---	61,304,830	60,716,146
Culture and Recreation	232,358	446,650	---	---	232,358	446,650
Conservation and Development	2,875,332	2,589,392	---	---	2,875,332	2,589,392
Emergency Communications Services	2,915,928	3,111,966	---	---	2,915,928	3,111,966
Employee Benefits	2,238,932	2,767,053	---	---	2,383,155	2,767,053
Debt Service	2,072,055	2,299,254	---	---	2,072,055	2,299,254
Unallocated Depreciation	2,626,583	3,201,073	---	---	2,626,583	3,201,073
Central Park Complex	---	---	915,391	990,178	915,391	990,178
Technology Fund	---	---	2,162,106	841,862	2,162,106	841,862
Total Expenses	119,534,609	114,561,793	3,077,497	1,832,040	122,612,106	116,393,833
Changes in Net Position before						
Transfers and Capital Contributions	4,581,842	4,297,779	(2,258,901)	(884,761)	2,322,941	3,413,018
Transfers in/(out) Primary Government	(2,325,636)	(3,096,974)	2,325,636	3,096,974	---	---
Transfers in/(out) Component Units	(3,470,360)	(3,344,207)	---	---	(3,470,360)	(3,344,207)
Capital Contributions	---	---	---	---	---	---
Change in Net Position	(1,214,154)	(2,143,402)	66,735	2,212,213	(1,147,419)	68,811
Net Position – Beginning of Year	3,913,074	6,056,476	273,447	(1,938,766)	4,186,521	4,117,710
Prior Period Adjustment	(234,933)	---	(97,976)	---	(332,909)	---
Net Position – Beginning of Year, as restated	3,678,141	6,056,476	175,471	(1,938,766)	3,853,612	4,117,710
Net Position – End of Year	\$2,463,987	\$3,913,074	\$ 242,206	\$ 273,447	\$2,706,193	\$4,186,521

Governmental activities revenues: Revenues for Cambria County's governmental activities were \$124.1 million for the year ended December 31, 2013, an increase of 4.4% from 2012. The following pie chart reflects the sources of those revenues by percent:

**Revenues by Source - Governmental Activities
For the Year Ended December 31, 2013**



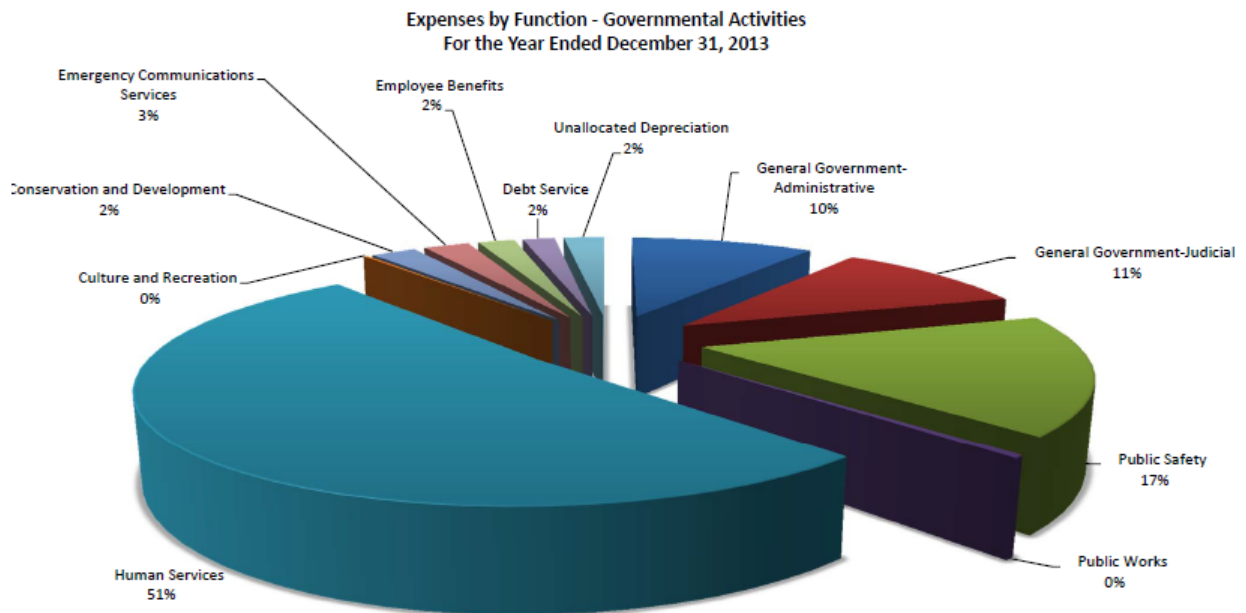
The largest source of governmental activities revenue is operating grants and contributions amounting to \$75.1 million or 60.5%. The Human Services agencies, including Behavioral Health/Intellectual Disabilities & Early Intervention, Children & Youth Services, Drug and Alcohol, Area Agency on Aging, Foster Grandparents, Human Services, and Health Choices receive the largest portion of operating grants and contributions at \$53.6 million or 71.4% 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 \$36.5 million or 29.4%. For 2013, the real estate tax rate remained 29.5 mills. Of this amount, 23.5 mills was designated for general purposes, 4.0 mills for debt service, 1.0 mill for the Penn Highlands Community College, 0.5 mill for the Cambria County Library System, and 0.5 mill for parks and playgrounds. Real estate taxes generated \$35.9 million in governmental activities revenue in 2013. In addition, the County levies a 3% hotel lodging tax. Proceeds from the hotel tax are primarily used to assist in tourist promotional activities of the Cambria County Visitors and Convention Bureau. For the year ending 2013, the hotel tax receipts amounted to \$370,108. Cambria County also receives payments in lieu of taxes from various sources. The County received \$198,488 in payments in lieu of taxes in 2013.

Charges for services amounted to \$11.8 million or 9.5% 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 \$695,043 or .6% of governmental activities revenue.

Governmental activities expenses: Expenses for Cambria County's governmental activities were \$119.5 million for the year ended December 31, 2013. 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 \$61.3 million or 51.3% for 2013.

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, 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 \$12.5 million or 10.4% in 2013.

Public Safety includes Emergency Management, HMER, SHARP, Prison, Adult Probation, Juvenile Court, Booking Center and Detention/Shelter. Expenses in 2013 were 17.0% or \$20.3 million.

Employee Benefits were \$2.4 million or 2.0% 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 \$11.8 million or 9.9%.

Debt Service on the County's Lease Rental Indebtedness, and Notes was \$2.1 million or 1.7% of governmental activities expenses.

The remaining expenses of \$9.1 million or 7.7% were for Public Works, Culture and Recreation, Conservation and Development, Emergency Communications Services, and Unallocated Depreciation.

Funds Financial Analysis

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

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

At December 31, 2013, the General Fund reported a fund balance of (\$1.7) million, which was an increase of \$719,247 from the prior year's fund balance of (\$2.4) million. For 2013, revenues and other financing sources exceeded expenditures and other financing uses by \$586,238.

The Behavioral Health/Intellectual Disabilities & Early Intervention special revenue fund maintains no fund balance. Revenues in the fund decreased to \$9.4 million from \$9.9 million in 2012, a decrease of \$501,059 or 5.0%.

The Health Choices Fund maintains a zero fund balance. Revenues in the Health Choices Fund increased \$1.56 million or 5.3% from 2012.

The Children and Youth Fund also maintains a zero fund balance. The revenue for the Children and Youth Fund decreased \$255,097 or 3.5% to \$7.0 million in 2013.

Proprietary Funds: Cambria County maintains two enterprise funds. The first enterprise fund is the Central Park Complex Fund. Created in 2007, the second enterprise fund is the Technology Fund. The fund financial statements for the business-type activity enterprise fund contain the same information as the government-wide statements, but in greater detail.

The net position of the Central Park Complex (CPC) fund was \$0 on December 31, 2013. The net position reflects that \$101,925 was unrestricted and (\$101,925) was invested in capital assets, net of related debt, netting to a zero balance in the fund. The county transferred \$176,733 from the CPC fund to the general fund for 2013.

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 net position of the Technology fund was \$242,206 on December 31, 2013. The unrestricted net position balance was (\$1.2) million and the investment in capital assets, net of related debt was \$1.5 million.

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 \$55.4 million in 2013 and \$54.5 million in 2012. The final budgeted general fund revenue was \$62.2 million in 2013 and \$55.6 million in 2012. The actual revenue received during 2013 was \$59.2 million. The following are negative variances in final budgeted revenue to actual revenue during 2013: actual real estate tax revenue was \$1.4 million or 3.7% less than budgeted and actual interest and investment income was \$11,907 or 49.8% less than budgeted. Actual intergovernmental revenue was \$1.8 million or 11.3% less than budgeted. Actual charges for services exceeded the budgeted amount by \$82,624 or 1.0%, and other revenue exceeded the budgeted amount by \$169,069 or 39.5%.

The original budgeted general fund expenditure amounts were \$45.5 million in 2013 and \$45.6 million in 2012. The final budgeted general fund expenditure amounts were \$52.3 million in 2013 and \$46.6 million in 2012. The actual expenditures were \$48.4 million for 2013. Positive variances were in general government – administrative for \$328,105 or 2.7%, general government – judicial for \$217,367 or 2.2%, public safety for \$1.8 million or 10.6%, human services for \$891,838 or 15.3%, culture and recreation for \$212,431 or 25.2%, conservation and development for \$336,112 or 16.2%, and employee benefits for \$98,285 or 3.5%. Negative variances were in public works for \$1,247 or 0.1%, and debt service for \$7,164 or 4.0%.

The original budgeted operating transfers in were \$335,600 in 2013 and \$628,711 in 2012. The final budgeted operating transfers in were \$405,600 in 2013 and \$628,711 in 2012. For 2013, the actual operating transfers in were \$257,250 or 36.6% under budget. The original budgeted operating transfers out were \$12.5 million in 2013 and \$9.6 million in 2012. The final budgeted operating transfers out were \$12.5 million in 2013 and \$9.6 million in 2012. The actual operating transfers out were \$16.5 million or 32.5% over budget in 2013.

Overall, the general fund had an excess of revenues and other financing sources over/(under) expenditures and other financing uses of \$586,238 for the year ending December 31, 2013.

Capital Assets and Debt Administration

Capital Assets:

The County's investment in capital assets at December 31, 2013, net of accumulated depreciation, amounted to \$55.9 million. This was a decrease of \$2.6 million or 4.5% 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, 2013
Construction-in-progress	\$ 123,795	\$ ---	\$ 123,795
Land	---	290,116	290,116
Site/land improvements	4,125,870	3,737	4,129,607
Infrastructure	14,725,074	---	14,725,074
Building and permanent fixtures	49,705,963	6,758,056	56,464,019
Office furniture and equipment	1,039,005	1,662,043	2,701,048
General equipment	4,650,339	---	4,650,339
Machinery and equipment	---	12,537,277	12,537,277
Radio equipment	716,448	---	716,448
Computer hardware and software	5,604,561	1,109,356	6,713,917
Vehicles	5,343,358	---	5,343,358
Less accumulated depreciation	(41,587,564)	(10,894,309)	(52,481,873)
Total	\$ 44,446,849	\$ 11,466,276	\$ 55,913,125

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

Long-term Debt:

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

As of December 31, 2013, Cambria County had outstanding debt and capital lease obligations of \$54.8 million. During 2013, the County's notes and capital leases increased by \$859,896 million or 1.6%.

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

Economic Factors and 2014 Budgets

- Cambria County is a 4th Class that continues to experience a population decline that averages 1,000 – 1,500 per year. The 2010 census showed that the County had declined to a fifth class status. The next census of 2020 should confirm the County is permanently in a fifth class county status which will result in its reclassification in 2021.
- Revenues have been statistically steady for the past three years while expenses continue to rise at an average rate of 5 – 7%.
- The growth of the judicial system and the twelve unions guaranteed pay raises have placed a tremendous strain on the budget. These unrelenting rising costs have been met by cutting other county expenses.
- The County's taxable assessed value on real estate increased \$1.6 million or 0.02% from 2013 to 2014.

For fiscal year 2014, the County's real property tax rate remained at 29.5 mills. The tax rate for general purpose is 23.5 mills, debt service is 4.0 mills, parks and playgrounds purposes is 0.5 mills, and the community college and the library millage is 1.0 and 0.5, respectively. For 2014, the County issued a Tax and Revenue Anticipation Note with First National Bank in the amount of \$5.0 million at 1.29% with a maturity date of July 1, 2014.

The Commissioners approved the Cambria County general fund budget of \$60.1 million for 2014 which was a decrease of \$1.7 from 2013.

Requests for Information

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

Independent Auditor's Report

June 20, 2014

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, 2013, 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.

Opinions

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, 2013, 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 and budgetary comparison information 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 employee retirement plan analysis of funding, 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 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 financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have issued our report dated June 20, 2014, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Cambria's internal control over financial reporting and compliance.

WESSEL & COMPANY
Certified Public Accountants

COUNTY OF CAMBRIA
GOVERNMENT-WIDE STATEMENT OF NET POSITION
DECEMBER 31, 2013

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS AND DEFERRED OUTFLOWS:				
Current Assets:				
Cash and cash equivalents (Note 2)	\$ 6,242,388	\$ 1,967	\$ 6,244,355	\$ 16,016,707
Investments (Note 2)	-	-	-	831,112
Cash Held for Clients as Representative Payee and Guardianship Program (Note 18)	236,729	-	236,729	-
Restricted cash (Note 3)	284,385	-	284,385	-
Restricted investments	-	-	-	562,654
Receivables (net of allowance for uncollectibles)				
Accounts	2,758,468	15,479	2,773,947	426,790
Taxes (Note 4)	4,124,013	-	4,124,013	-
Due from other governments (Note 5)	7,256,898	-	7,256,898	8,480,748
Prepaid expenses and other assets	231,810	-	231,810	1,213,025
Internal balances (Note 1k)	1,096,757	(1,096,757)	-	-
Inventory	-	-	-	468,227
Total Current Assets	22,231,448	(1,079,311)	21,152,137	27,999,263
Non-Current Assets:				
Other assets	-	-	-	46,816
Note receivable (Note 17)	950,374	-	950,374	-
Fixed assets net of accumulated depreciation (Note 6)	44,446,849	11,466,276	55,913,125	51,652,456
Total Non-Current Assets	45,397,223	11,466,276	56,863,499	51,699,272
Total Assets and Deferred Outflows	\$ 67,628,671	\$ 10,386,965	\$ 78,015,636	\$ 79,698,535
LIABILITIES:				
Current Liabilities:				
Accounts payable and accrued liabilities	\$ 13,484,018	\$ 44,824	\$ 13,528,842	\$ 3,214,571
Reserved Cash Held for Clients as Representative Payee and Guardianship Program (Note 18)	236,729	-	236,729	-
Due to other governments (Note 5)	68,409	-	68,409	5,196,422
Custodial payable	420,556	-	420,556	-
Compensated absences (Note 11 and 14)	1,648,932	10,442	1,659,374	-
Notes payable (Note 11)	2,084,808	267,393	2,352,201	1,187,070
Obligations under capital leases (Note 12)	1,389,087	318,323	1,707,410	164,921
Accrued interest	411,691	55,951	467,642	-
Other liabilities	7,624	-	7,624	-
Total Current Liabilities	19,751,854	696,933	20,448,787	9,762,984
Non-Current Liabilities:				
Compensated absences (Note 11 and 14)	499,810	6,334	506,144	-
Due to other governments (Note 5)	-	-	-	20,298
Notes payable (Note 11)	27,448,609	3,292,943	30,741,552	1,487,562
Estimated workers' compensation claim (Note 9 and 11)	669,255	-	669,255	-
OPEB obligation (Note 8 and 11)	52,526	-	52,526	-
Obligations under capital leases (Note 12)	13,830,225	6,147,049	19,977,274	330,488
Total Non-Current Liabilities	42,500,425	9,446,326	51,946,751	1,838,348
DEFERRED INFLOWS:				
Unearned revenues (Note 1f)	2,912,405	1,500	2,913,905	12,919,863
NET POSITION:				
Investment in capital assets, net of related debt	(717,571)	1,384,617	667,046	48,579,071
Unrestricted	3,181,058	(1,142,411)	2,038,647	4,622,764
Restricted - (Note 1m)	500	-	500	1,975,505
Total Net Position	2,463,987	242,206	2,706,193	55,177,340
Total Liabilities, Deferred Inflows and Net Position	\$ 67,628,671	\$ 10,386,965	\$ 78,015,636	\$ 79,698,535

COUNTY OF CAMBRIA
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contribution	Capital Grants and Contributions	Primary Government	
					Governmental Activities	Business-type Activities
Primary Government:						
Governmental Activities:						
General government - administrative	\$ 11,823,956	\$ 1,343,635	\$ 6,500,442	\$ -	\$ (3,979,879)	\$ -
General government - judicial	12,467,185	3,347,252	3,029,416	-	(6,090,517)	-
Public safety	20,326,353	4,059,521	4,066,892	-	(12,199,940)	-
Public works	506,874	-	694,672	-	187,798	-
Human services	61,304,830	1,942,208	57,584,675	-	(1,777,947)	-
Culture and recreation	232,358	27,824	-	-	(204,534)	-
Conservation and development	2,875,332	466,399	2,046,758	-	(362,175)	-
Emergency communication services	2,915,928	630,095	1,174,248	563,663	(547,922)	-
Employee benefits	2,383,155	-	-	-	(2,383,155)	-
Debt service	2,072,055	-	-	-	(2,072,055)	-
Unallocated depreciation and amortization	2,626,583	-	-	-	(2,626,583)	-
Total Governmental Activities	119,534,609	11,816,934	75,097,103	563,663	(32,056,909)	-
Business-type Activities:						
Central Park Complex	915,391	737,893	-	-	-	(177,498)
Technology Fund	2,162,106	68,197	-	-	-	(2,093,909)
Total Business-type Activities	3,077,497	806,090	-	-	(2,271,407)	(2,271,407)
Total Primary Government	\$ 122,612,106	\$ 12,623,024	\$ 75,097,103	\$ 563,663	\$ (32,056,909)	\$ (34,328,316)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes					\$ 29,292,234	\$ 29,292,234
Property Taxes, Levied for Debt Retirement					4,860,977	4,860,977
Property Taxes, Levied for Community College					1,170,064	1,170,064
Property Taxes, Levied for County Library					615,500	615,500
Payments in Lieu of Taxes					198,488	198,488
County Hotel Lodging Taxes					370,108	370,108
Gain/(loss) from Sale of Assets					(10,167)	(10,167)
Transfers in/(out) primary government					(2,325,636)	2,325,636
Transfers in/(out) component units					(3,470,360)	-
Unrestricted Investment Earnings					31,206	31,212
Other Revenues					110,341	12,500
Total General Revenues and Transfers					30,842,755	2,338,142
Total Change in Net Position					(1,214,154)	66,735
Net Position - Beginning of Year					3,913,074	273,447
Prior Period Adjustment (Note 20)					(234,933)	(97,976)
Net Position - Beginning of Year, as restated					3,678,141	175,471
Net Position - End of Year					\$ 2,463,987	\$ 242,206
						\$ 2,706,193

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, 2013

Component Units:	Fuctions/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:	Redevelopment Authority	\$ 1,839,525	\$ 123,399	\$ 1,701,840	\$ -	\$ (14,286)
	Library Association	1,726,115	46,300	1,165,968	-	(513,847)
	Conservation and Recreation Authority	549,410	-	364,611	-	(184,799)
	Total Component Unit Governmental Activities	4,115,050	169,699	3,232,419	-	(712,932)
Business-type Activities:	Planning Commission	237,847	192,872	-	-	(44,975)
	Municipal Airport Authority	1,718,559	379,649	-	-	(1,338,910)
	Transit Authority	11,006,325	1,036,616	7,306,611	-	(2,663,098)
	Economic Development Authority	17,537	-	-	-	(17,537)
	Solid Waste Management Authority	502,913	3,771	63,751	-	(435,391)
	Community College	12,184,808	6,977,885	4,328,778	-	(878,145)
	Behavioral Health of Cambria County	30,531,813	12,155	29,951,375	-	(568,283)
	War Memorial Arena Authority	218,210	-	-	-	(218,210)
	Total Component Unit Business-type Activities	56,418,012	8,602,948	41,650,515	-	(6,164,549)
Total Component Units	\$ 60,533,062	\$ 8,772,647	\$ 44,882,934	\$ -	\$ (6,877,481)	
General Revenues:						
(Loss) from Sale of Assets						
Unrestricted Investment Earnings						
Other Revenues						
Transfers from Primary Government						
Total General Revenues and Transfers						
Change in Net Position Before Capital Contributions						
Capital Contributions						
Total Change in Net Position						
Net Position - Beginning of Year						
Prior Period Adjustment						
Net Position - Beginning of Year, as restated						
Net Position - End of Year						

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, 2013

	Major Funds				Other Nonmajor Governmental Funds	Totals
	General	Behavioral Health/ Intellectual Disabilities & Early Intervention	Health Choices Fund	Children and Youth Fund		
ASSETS AND DEFERRED OUTFLOWS:						
Cash and cash equivalents	\$ 1,126,038	\$ 63,672	\$ 2	\$ -	\$ 2,466,529	\$ 3,656,241
Cash Held for Clients as Representative Payee and Guardianship Program (Note 18)	-	-	-	-	236,729	236,729
Restricted cash	282,880	-	-	-	1,505	284,385
Receivables (net of allowance for uncollectibles)						
Accounts	1,056,532	80,518	-	-	355,209	1,492,259
Taxes	4,124,013	-	-	-	-	4,124,013
Due from other governments	106,907	152,523	5,072,560	974,625	925,097	7,231,712
Prepaid expenses and other assets	222,234	-	-	9,576	-	231,810
Due from other funds (Note 1k)	6,133,439	1,311,718	-	120,269	4,095,188	11,660,614
Total Assets and Deferred Outflows	\$ 13,052,043	\$ 1,608,431	\$ 5,072,562	\$ 1,104,470	\$ 8,080,257	\$ 28,917,763
LIABILITIES:						
Accounts payable and accrued liabilities	\$ 4,208,538	\$ 984,037	\$ 5,072,562	\$ 755,554	\$ 1,205,065	\$ 12,225,756
Reserved Cash Held for Clients as Representative Payee and Guardianship Program (Note 18)	-	-	-	-	236,729	236,729
Payable from restricted assets	420,556	-	-	-	-	420,556
Other liabilities	7,624	-	-	-	-	7,624
Due to other governments	-	-	-	37,323	-	37,323
Due to other funds (Note 1k)	6,361,009	-	-	-	1,641,035	8,002,044
Total Liabilities	10,997,727	984,037	5,072,562	792,877	3,082,829	20,930,032
DEFERRED INFLOWS:						
Unearned revenues	3,778,075	624,394	-	311,593	1,551,268	6,265,330
FUND BALANCES						
Unassigned fund balance/(deficit)	(1,724,259)	-	-	-	(381,039)	(2,105,298)
Assigned fund balance	-	-	-	-	3,827,199	3,827,199
Restricted for:						
Penn Highlands Community College (Note 1l)	-	-	-	-	-	-
Library (Note 1l)	500	-	-	-	-	500
Total Fund Balance	(1,723,759)	-	-	-	3,446,160	1,722,401
Total Liabilities, Deferred Inflows and Fund Balance	\$ 13,052,043	\$ 1,608,431	\$ 5,072,562	\$ 1,104,470	\$ 8,080,257	\$ 28,917,763
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 and compensated absences are not due and payable in the current period and therefore are not reported as a fund liability						
The difference in net 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						
						(47,408,449)
						3,352,925
						44,446,849
						323,880
						26,381
						\$ 2,463,987

COUNTY OF CAMBRIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Major Funds					Other	
	General	Behavioral Health/ Intellectual Disabilities & Early Intervention	Health Choices Fund	Children and Youth Fund	Nonmajor Governmental Funds	Totals	
Revenues							
Real estate taxes	\$ 36,003,545	\$ -	\$ -	\$ -	\$ -	\$	\$ 36,003,545
Charges for services	8,005,758	1,398,955	-	114,215	2,021,449		11,540,377
Interest and investment income	11,993	1,742	155	-	17,316		31,206
Intergovernmental revenues	14,567,129	8,022,247	31,087,197	6,879,497	12,877,794		73,433,864
Other income	596,813	2,900	-	150	2,030,428		2,630,291
Total Revenues	59,185,238	9,425,844	31,087,352	6,993,862	16,946,987		123,639,283
Expenditures							
General government - administrative	11,861,496	-	-	-	16,588		11,878,084
General government - judicial	9,616,077	-	-	-	3,137,115		12,753,192
Public safety	15,623,307	-	-	-	4,701,810		20,325,117
Public works	1,077,249	-	-	-	624,485		1,701,734
Human services	4,933,162	9,825,723	31,087,352	8,529,227	8,331,341		62,706,805
Culture and recreation	631,430	-	-	-	385,428		1,016,858
Conservation and development	1,732,887	-	-	-	1,782,346		3,515,233
Employee benefits	2,732,652	-	-	-	-		2,732,652
Emergency communication services	-	-	-	-	3,042,375		3,042,375
Debt service	187,164	-	-	-	4,886,348		5,073,512
Total Expenditures	48,395,424	9,825,723	31,087,352	8,529,227	26,907,836		124,745,562
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	10,789,814	(399,879)	-	(1,535,365)	(9,960,849)		(1,106,279)
Other Financing Sources/(Uses)							
Proceeds from Capital Lease	5,000,000	-	-	-	-		5,000,000
Net long-term transfer from Technology Fund	1,055,100	-	-	-	-		1,055,100
Operating transfers in	257,250	399,879	-	1,535,365	12,075,199		14,267,693
Operating transfers (out)	(16,515,926)	-	-	-	(77,403)		(16,593,329)
Total Other Financing Sources/(Uses)	(10,203,576)	399,879	-	1,535,365	11,997,796		3,729,464
(Deficiency)/Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	586,238	-	-	-	2,036,947		2,623,185
Fund Balance/(Deficit) - Beginning of Year	(2,443,006)	-	-	-	1,409,213		(1,033,793)
Prior Period Adjustment (Note 20)	133,009	-	-	-	-		133,009
Fund Balance/(Deficit) - Beginning of Year, as restated	(2,309,997)	-	-	-	1,409,213		(900,784)
Fund Balance/(Deficit) - End of Year	\$ (1,723,759)	\$ -	\$ -	\$ -	\$ 3,446,160		\$ 1,722,401

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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, 2013

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

Net change in fund balance - total governmental funds (page 8)	\$ 2,623,185
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.)	390,801
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	(3,083,741)
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	30,098
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.	(92,859)
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	133,718
The net effect of various transactions involving capital assets, (i.e. purchases, disposals, depreciation, etc.) is to decrease net position	(1,539,236)
Notes receivable recorded as cash outlays in the funds	<u>323,880</u>
Change in net position of governmental activities (page 5)	<u><u>\$ (1,214,154)</u></u>

COUNTY OF CAMBRIA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
DECEMBER 31, 2013

	Business-type Activities - Enterprise Funds			Governmental Activities
	Central Park Complex	Technology Fund	Total	Internal Service
<u>ASSETS AND DEFERRED OUTFLOWS</u>				
Current Assets				
Cash and cash equivalents	\$ 273	\$ 1,694	\$ 1,967	\$ 2,586,147
Accounts receivable	15,479	-	15,479	1,266,209
Due from other funds	125,375	-	125,375	-
Total Current Assets	141,127	1,694	142,821	3,852,356
Non-current Assets				
Fixed assets (net of accumulated depreciation and amortization)	3,514,362	7,951,914	11,466,276	-
Total Assets and Deferred Outflows	<u>\$ 3,655,489</u>	<u>\$ 7,953,608</u>	<u>\$ 11,609,097</u>	<u>\$ 3,852,356</u>
<u>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</u>				
Current Liabilities				
Accounts payable and accrued liabilities	\$ 22,426	\$ 22,398	\$ 44,824	\$ 1,258,262
Accrued interest	55,951	-	55,951	-
Compensated absences	10,442	-	10,442	-
Notes payable	267,393	-	267,393	-
Obligation under capital lease	-	318,323	318,323	-
Due to other governments	-	-	-	31,086
Due to other funds	-	1,222,132	1,222,132	2,536,627
Total Current Liabilities	356,212	1,562,853	1,919,065	3,825,975
Non-current Liabilities				
Compensated absences	6,334	-	6,334	-
Obligation under capital lease	-	6,147,049	6,147,049	-
Notes payable	3,292,943	-	3,292,943	-
Total Non-current Liabilities	3,299,277	6,147,049	9,446,326	-
Deferred Inflows				
Unearned revenue	-	1,500	1,500	-
Net Position				
Investment in capital assets, net of related debt	(101,925)	1,486,542	1,384,617	-
Unrestricted	101,925	(1,244,336)	(1,142,411)	26,381
Total Net Position	-	242,206	242,206	26,381
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 3,655,489</u>	<u>\$ 7,953,608</u>	<u>\$ 11,609,097</u>	<u>\$ 3,852,356</u>

COUNTY OF CAMBRIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Business-type Activities - Enterprise Funds			Governmental Activities
	Central Park Complex	Technology Fund	Total	Internal Service
Operating Revenues:				
Charges for service	\$ -	\$ 68,197	\$ 68,197	\$ 11,313,386
Stop loss payments	-	-	-	139,401
Rental income	737,893	-	737,893	-
Total Operating Revenues	<u>737,893</u>	<u>68,197</u>	<u>806,090</u>	<u>11,452,787</u>
Operating Expenses:				
Depreciation and amortization	219,901	911,326	1,131,227	-
Maintenance and operating	540,939	948,937	1,489,876	11,457,860
Total Operating Expenses	<u>760,840</u>	<u>1,860,263</u>	<u>2,621,103</u>	<u>11,457,860</u>
Operating Income/(Loss)	(22,947)	(1,792,066)	(1,815,013)	(5,073)
Non-Operating Revenues/(Expenses):				
Investment income	4	2	6	5,073
Other income	12,500	-	12,500	-
Interest expense	(154,551)	(301,843)	(456,394)	-
Total Non-Operating Revenues/(Expenses)	<u>(142,047)</u>	<u>(301,841)</u>	<u>(443,888)</u>	<u>5,073</u>
Income/(Loss) Before Transfers	(164,994)	(2,093,907)	(2,258,901)	-
Other Financing Sources/(Uses):				
Operating transfers in	408,462	2,093,907	2,502,369	-
Operating transfers (out)	(176,733)	-	(176,733)	-
Total Other Financing Sources/(Uses)	<u>231,729</u>	<u>2,093,907</u>	<u>2,325,636</u>	<u>-</u>
Change in Net Position	66,735	-	66,735	-
Net Position - Beginning of Year	-	273,447	273,447	26,381
Prior Period Adjustment (Note 20)	(66,735)	(31,241)	(97,976)	-
Net Position - Beginning of Year, as restated	<u>(66,735)</u>	<u>242,206</u>	<u>175,471</u>	<u>26,381</u>
Net Position - End of Year	<u>\$ -</u>	<u>\$ 242,206</u>	<u>\$ 242,206</u>	<u>\$ 26,381</u>

COUNTY OF CAMBRIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Business-type Activities - Enterprise Funds			Governmental Activities
	Central Park Complex	Technology Fund	Total	Internal Service
Cash Flows From Operating Activities				
Cash received from customers	\$ 728,029	\$ 79,222	\$ 807,251	\$ -
Cash received from interfund services provided	-	-	-	10,301,515
Cash received from provider	-	-	-	8,585
Cash payments to employees for services	(161,762)	-	(161,762)	-
Cash payments to suppliers for goods and services	(391,755)	(939,823)	(1,331,578)	(10,904,038)
Net Cash (Used For)/Provided By Operating Activities	<u>174,512</u>	<u>(860,601)</u>	<u>(686,089)</u>	<u>(593,938)</u>
Cash Flows From Non-Capital Financing Activities				
Transfers in from other funds	408,462	1,038,807	1,447,269	-
Transfers out to other funds	(176,733)	-	(176,733)	-
Net Cash Provided By Non-Capital Financing Activities	<u>231,729</u>	<u>1,038,807</u>	<u>1,270,536</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities				
Purchase of property and equipment	-	(21,366)	(21,366)	-
Payment on debt (net)	(253,911)	(914,834)	(1,168,745)	-
Interest paid	(158,542)	(462,584)	(621,126)	-
Net (decrease)/increase in interfund payables	(6,355)	1,222,132	1,215,777	1,416,596
Proceeds from capital grant	12,500	-	12,500	-
Net Cash (Used For)/Provided By Capital and Related Financing Activities	<u>(406,308)</u>	<u>(176,652)</u>	<u>(582,960)</u>	<u>1,416,596</u>
Cash Flows From Investing Activities				
Interest on cash equivalents	4	2	6	5,073
Net Cash Provided By Investing Activities	<u>4</u>	<u>2</u>	<u>6</u>	<u>5,073</u>
Net (Decrease)/Increase in Cash and Cash Equivalents	(63)	1,556	1,493	827,731
Cash and Cash Equivalents Beginning of Year	<u>336</u>	<u>138</u>	<u>474</u>	<u>1,758,416</u>
Cash and Cash Equivalents at End of Year	<u>\$ 273</u>	<u>\$ 1,694</u>	<u>\$ 1,967</u>	<u>\$ 2,586,147</u>

COUNTY OF CAMBRIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	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)	\$ (22,947)	\$ (1,792,066)	\$ (1,815,013)	\$ (5,073)
Adjustments to reconcile operating income to net cash provided by/(used in) operating activities:				
Depreciation	219,901	911,326	1,131,227	-
Changes in assets, deferred outflows, liabilities and deferred inflows:				
Decrease/(Increase) in accounts receivable	(9,864)	9,525	(339)	(1,142,687)
(Decrease)/Increase in accounts payable and accrued liabilities	(14,129)	9,114	(5,015)	553,822
Increase in unearned revenue	-	1,500	1,500	-
Increase in accrued vacation	1,551	-	1,551	-
Total Adjustments	197,459	931,465	1,128,924	(588,865)
Net Cash (Used For)/Provided By Operating Activities	\$ 174,512	\$ (860,601)	\$ (686,089)	\$ (593,938)

COUNTY OF CAMBRIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2013

	Non-AFDC IRS Fund	Prison Resident Fund	Prison Canteen Fund	Recorder of Deeds
<u>ASSETS AND DEFERRED OUTFLOWS</u>				
Assets				
Cash and cash equivalents	\$ 11,363	\$ 52,743	\$ 57,067	\$ 184,315
Investments	-	-	-	-
Restricted assets:				
Cash	-	-	-	124,121
Investments	-	-	-	-
Accounts receivable	-	-	6,182	180
Due from other governments	-	-	10,513	-
Total Assets and Deferred Outflows	<u>\$ 11,363</u>	<u>\$ 52,743</u>	<u>\$ 73,762</u>	<u>\$ 308,616</u>
<u>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</u>				
Liabilities				
Due to other governments	\$ -	\$ 12,571	\$ 7,101	\$ 295,460
Other liabilities	11,363	40,172	10,643	13,156
Due to other funds	-	-	-	-
Total Liabilities	<u>11,363</u>	<u>52,743</u>	<u>17,744</u>	<u>308,616</u>
Net Position				
Held in trust for the prison canteen (Note 1m)	-	-	56,018	-
Held in trust for workers' compensation (Note 1m)	-	-	-	-
Held in trust for pension benefits (Note 1m)	-	-	-	-
Total Net Position	<u>-</u>	<u>-</u>	<u>56,018</u>	<u>-</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 11,363</u>	<u>\$ 52,743</u>	<u>\$ 73,762</u>	<u>\$ 308,616</u>

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

COUNTY OF CAMBRIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2013

	<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	\$ 112,906	\$ 230,315	\$ 431,127
Investments	-	-	-
Restricted assets:			
Cash	-	-	-
Investments	-	-	-
Accounts receivable	-	-	-
Due from other governments	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Assets and Deferred Outflows	<u>\$ 112,906</u>	<u>\$ 230,315</u>	<u>\$ 431,127</u>
<u>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</u>			
Liabilities			
Due to other governments	\$ 46,454	\$ 10,948	\$ 29,559
Other liabilities	66,452	219,367	401,568
Due to other funds	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>112,906</u>	<u>230,315</u>	<u>431,127</u>
Net Position			
Held in trust for the prison canteen (Note 1m)	-	-	-
Held in trust for workers' compensation (Note 1m)	-	-	-
Held in trust for pension benefits (Note 1m)	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Net Position	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 112,906</u>	<u>\$ 230,315</u>	<u>\$ 431,127</u>

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

COUNTY OF CAMBRIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2013

	<u>Clerk of Courts</u>	<u>Domestic Relations Support</u>	<u>Intermediate Punishment Unit</u>
<u>ASSETS AND DEFERRED OUTFLOWS</u>			
Assets			
Cash and cash equivalents	\$ 641,515	\$ 65,570	\$ 75,925
Investments	-	-	-
Restricted assets:			
Cash	-	-	-
Investments	-	-	-
Accounts receivable	-	-	-
Due from other governments	-	-	-
Total Assets and Deferred Outflows	<u>\$ 641,515</u>	<u>\$ 65,570</u>	<u>\$ 75,925</u>
<u>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</u>			
Liabilities			
Due to other governments	\$ 338,175	\$ -	\$ -
Other liabilities	303,340	65,570	75,925
Due to other funds	-	-	-
Total Liabilities	<u>641,515</u>	<u>65,570</u>	<u>75,925</u>
Net Position			
Held in trust for the prison canteen (Note 1m)	-	-	-
Held in trust for workers' compensation (Note 1m)	-	-	-
Held in trust for pension benefits (Note 1m)	-	-	-
Total Net Position	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 641,515</u>	<u>\$ 65,570</u>	<u>\$ 75,925</u>

COUNTY OF CAMBRIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2013

	Workers' Compensation Trust Fund	Retirement Trust Fund	Total
<u>ASSETS AND DEFERRED OUTFLOWS</u>			
Assets			
Cash and cash equivalents	\$ -	\$ -	\$ 1,862,846
Investments	-	182,610,540	182,610,540
Restricted assets:			
Cash	-	1,353,684	1,477,805
Investments	725,884	-	725,884
Accounts receivable	5,782	319,422	331,566
Due from other governments	-	-	10,513
Total Assets and Deferred Outflows	<u>\$ 731,666</u>	<u>\$ 184,283,646</u>	<u>\$ 187,019,154</u>
<u>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</u>			
Liabilities			
Due to other governments	\$ -	\$ -	\$ 740,268
Other liabilities	680	89,587	1,297,823
Due to other funds	-	25,186	25,186
Total Liabilities	<u>680</u>	<u>114,773</u>	<u>2,063,277</u>
Net Position			
Held in trust for the prison canteen (Note 1m)	-	-	56,018
Held in trust for workers' compensation (Note 1m)	730,986	-	730,986
Held in trust for pension benefits (Note 1m)	-	184,168,873	184,168,873
Total Net Position	<u>730,986</u>	<u>184,168,873</u>	<u>184,955,877</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 731,666</u>	<u>\$ 184,283,646</u>	<u>\$ 187,019,154</u>

COUNTY OF CAMBRIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
WORKERS' COMPENSATION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

Revenues	
Interest income	\$ 24,338
Net (depreciation) in fair value of investments	<u>(39,234)</u>
Total Revenues/(Expenses)	<u>(14,896)</u>
Expenses	
Operating expenses	<u>2,741</u>
Total Expenses	<u>2,741</u>
Other Financing Sources/(Uses)	
Operating transfers (out)	<u>-</u>
Total Sources/(Uses)	<u>-</u>
Excess/(Deficiency) of Revenues Over Other Financing Sources/(Uses)	(17,637)
Net Position Held in Trust for Specific Purposes - Beginning of Year	<u>748,623</u>
Net Position Held in Trust for Specific Purposes - End of Year	<u><u>\$ 730,986</u></u>

COUNTY OF CAMBRIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
RETIREMENT TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

Additions

Contributions:

Employer	\$ 2,203,855
Employee	<u>2,643,996</u>

Total Contributions	<u>4,847,851</u>
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Investment Income:

Interest	997,573
Dividends	2,508,195
Net appreciation in fair value of investments	<u>24,943,535</u>

28,449,303

Less: Investment expense	<u>501,776</u>
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Net investment income	<u>27,947,527</u>
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Total Additions	<u>32,795,378</u>
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Deductions

Benefits	12,161,331
Administrative expenses	<u>59,026</u>

Total Deductions	<u>12,220,357</u>
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Increase in Net Position	20,575,021
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Net Position Held in Trust for Employee Pension Benefits:

Beginning of Year	<u>163,593,852</u>
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End of Year	<u><u>\$ 184,168,873</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, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Cambria (the "County") is a fourth class county that was formed on March 26, 1804, and operates under the direction of an elected Board of Commissioners, and provides the following services: general administrative services, tax assessment and collection, judicial, public improvements, public safety, conservation and development, 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, 2013.

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, 2013.

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, 2013.

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, 2013.

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, 2013.

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 liabilities is reported as fund balance.

The following are the County's major governmental funds:

General Fund

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

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 Welfare. 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 Public Welfare.

Children and Youth Fund

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

The other governmental funds of the County account for grants and other resources whose use is 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 & Youth, and Drug & Alcohol) and leases the first floor space to Johnstown Business District Coalition. The rental income is used to maintain the building and pay the related utility bills for the building.

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 and liabilities (whether current or non-current) are included on the balance sheet and the operating statements present increases (revenues) and decreases (expenses) in total net 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 current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reflects the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the fund financial statements for governmental funds.

Proprietary Fund Financial Statements

Like the government-wide financial statements, the enterprise funds are accounted for using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net 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, 2013, but were levied to finance 2013 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 Commissioners then interview all department heads to discuss their budgets as submitted and allow them to substantiate projected expenditures at public hearings.
3. Subsequently, the County chief clerk's office assembles the preliminary projections of revenues and expenditures into a formal budget incorporating any revisions or adjustments resulting from the Commissioners' review.
4. Public hearings are conducted on the proposed budget. The proposed budget is available for public inspection for 20 days prior to final adoption.
5. After the 20-day inspection period, but prior to December 31, the County Commissioners adopt the final budget by enacting an appropriate resolution.
6. The formal budgetary process is employed as a planning device. The adopted budget is on a basis consistent with GAAP. Budget

amounts are as originally adopted, or as formally amended by the County Commissioners at a public meeting.

i. **Cash and Cash Equivalents**

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

j. **Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the governmental-wide financial statements and in the fund financial statements for proprietary funds. Capital assets are defined by the County as assets with an initial, individual cost of more than \$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, 2013 were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
<u>Governmental Fund Types</u>		
General Fund	<u>\$ 6,133,439</u>	<u>\$ 6,361,009</u>
Special Revenue Funds		
Domestic Relations	---	445,037
Juvenile Probation	---	229,849
Jail/Detention	54,323	---
Detention/Shelter	---	49,119
Farmland Preservation	1,003	---
911 Emergency Communications	---	532,707
County Records Improvement	74,940	---
Area Agency on Aging	1,476,037	---
Foster Grandparents	---	1,830
Substance Abuse	506,311	---
Children and Youth	120,269	---
Liquid Fuels Tax	---	4,444
Drug and Alcohol	225,201	---
Human Services	59,069	---
HMERA	10,389	---
Behavioral Health/Intellectual Disabilities & Early Intervention	1,311,718	---
Parks and Playgrounds	---	178,028
Coroner Vital Statistics	13,960	---
Booking Center	---	199,155
DUI	<u>1,673,955</u>	<u>---</u>
Total Special Revenue Funds	<u>5,527,175</u>	<u>1,640,169</u>
Debt Service Fund	<u>---</u>	<u>866</u>
Total Governmental Fund Types	<u>11,660,614</u>	<u>8,002,044</u>

Proprietary Fund Types

Central Park Complex	125,375	---
Technology Fund	---	1,222,132
Internal Service	---	<u>2,536,627</u>
Total Proprietary Fund Types	<u>125,375</u>	<u>3,758,759</u>

Fiduciary Fund Types

Retirement Trust Fund	---	<u>25,186</u>
Total Fiduciary Fund Types	---	<u>25,186</u>
Total Interfunds	<u>\$ 11,785,989</u>	<u>\$ 11,785,989</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 for Library \$ 500

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

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, 2013:

Primary Government

Restricted for Library \$ 500

Total Restricted Net Position \$ 500

Fiduciary Funds

Retirement Trust Fund \$ 184,168,873

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

Workers' Compensation Trust \$ 730,986

This represents funds restricted to fund workers' compensation claims.

Prison Canteen/Resident \$ 56,018

This represents funds restricted for the welfare of prison inmates.

Component Units

Cambria Library Association \$ 562,654

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

Community College \$ 1,303,344

This restriction has been established for significant shortfalls in revenue, unplanned major expenditures, or major capital projects.

Behavioral Health of Cambria County \$ 109,507

This restriction has been established for Pennsylvania Department of Public Welfare Reinvestment 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. Bond and Capital Lease Issuance Costs

In accordance with GASB 65, Bond and Capital Lease issuance costs, except any portion related to prepaid insurance costs, should be recognized as an expense in the period incurred. Prior to the implementation of GASB 65, such costs were deferred and amortized over the life of the debt. See Note 20 for the effect of this change in accounting principle.

r. Estimates

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

s. Joint Venture

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

Reporting Entity and Nature of Activities

The combined financial statements present the accounts and transactions of the Cambria Somerset Authority ("CSA") and its Combined Affiliates ("the Authority"), 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.), with CSA having complete control over CSCC. 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 244 Walnut Street, Johnstown, Pennsylvania 15901.

	Year Ended <u>December 31, 2013</u>
Current Assets	\$ 1,208,784
Total Assets	15,841,978
Deferred Outflows of Resources	54,505
Current Liabilities	1,116,943
Total Liabilities	11,285,069
Net Position	4,611,414
Operating Revenues	1,376,196
Operating Expenses	(1,710,646)
Non-Operating Revenues	243,697
Non-Operating Expenses	(388,588)
Change in Net Position	(479,341)

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 17 for further details.

t. New GASB Pronouncement

In the current year, the County has implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. See Note 20 for the effect of this change in accounting principle.

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, 2013, cash balances, unrestricted and restricted, were covered by the FDIC or by pledged collateral held by the financial institutions' trust departments or custodial agents for the benefit of the County.

Cash and investments as of December 31, 2013 are classified in the accompanying financial statements as follows:

Statements of net position:	
Cash and investments	\$ 6,244,355
Cash held for clients as representative payee and guardianship program	236,729
Restricted cash and investments	284,385
Fiduciary funds:	
Cash and investments	184,473,386
Restricted cash and investments	<u>2,203,689</u>
Total Cash and Investments	<u>\$ 193,442,544</u>

Cash and investments as of December 31, 2013 consist of the following:

Cash on hand	\$ 31,560
Deposits with financial institutions	10,074,560
Investments	<u>183,336,424</u>
Total Cash and Investments	<u>\$ 193,442,544</u>

Interest Rate Risk

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

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

Type	<u>12 Months or Less</u>	<u>13 to 24 Months</u>	<u>25 to 60 Months</u>	<u>More Than 60 Months</u>
Fixed Income Securities	<u>\$ 8,340,604</u>	<u>\$19,898,798</u>	<u>\$ 17,046,856</u>	<u>\$ 9,891,095</u>

Credit Risk

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

Type	<u>Aaa</u>	<u>Aa</u>	<u>A</u>	<u>Baa</u>
Government:				
Treasury	\$ 4,582,422	\$ -	\$ -	\$ -
Agency	15,610,704	-	-	-
Corporate:				
Industrial	170,723	1,819,610	4,532,799	1,345,871
Utility	-	216,791	384,804	657,590
Finance	-	409,193	2,989,008	1,855,851
Yankee	-	292,668	-	-
Transportation	-	86,716	701,861	-
Mortgage				
GNMA	463,391	-	-	-
FHLMC	2,710	-	-	-
FNMA	149,044	-	-	-
Other Mortgage	-	108,396	-	-
Totals	<u>\$ 20,978,994</u>	<u>\$ 2,933,374</u>	<u>\$ 8,608,472</u>	<u>\$ 3,859,312</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, 2013, 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	\$ 55,177,353
Domestic Equity	94,473,584
International Equity	26,027,537
Real Estate	8,031,424
Temporary Investment - Cash	<u>980,210</u>
	<u>\$ 184,690,108</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 \$26,027,537 in investments subject to foreign currency risk at year end.

NOTE 3 - RESTRICTED ASSETS

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

	<u>Cash</u>	<u>Investments</u>	<u>Total</u>
Governmental Activities:			
General Fund:			
Tax Claim Department amounts received from tax sales which ultimately will be distributed to other tax authorities. The aggregate amount is offset with a corresponding General Fund liability captioned payable from restricted assets	\$ 282,880	\$ ---	\$ 282,880
Farmland Preservation Fund:			
Amount restricted for future preservation activities	<u>1,505</u>	<u>---</u>	<u>1,505</u>
Total Governmental Activities	<u>\$ 284,385</u>	<u>\$ ---</u>	<u>\$ 284,385</u>

Fiduciary Funds:

Trust Funds:

Amount established to provide for Pension contribution and offset by a reserve for balance for pension benefits.	\$ 1,353,684	\$ ---	\$ 1,353,684
Amount established to provide source of funds for the realty transfer tax collected on behalf of the Commonwealth.	124,121	---	124,121
Amount established to provide source of funds for workers' compensation claims and offset by a reserve in fund balance for workers' compensation.	---	<u>725,884</u>	<u>725,884</u>
Total Fiduciary Funds	<u>\$ 1,477,805</u>	<u>\$ 725,884</u>	<u>\$ 2,203,689</u>

NOTE 4 - REAL ESTATE TAXES

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

The rate of taxation in 2013 was 29.5 mills, of which 4.0 mills were designated for debt service, 1.0 mills were designated for community college purposes, .50 mills were designated for county library purposes, .50 mills for parks and playgrounds purposes, and the remaining 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 \$4,124,013 as stated on the Governmental Funds Balance Sheet, are actual legal claims of lien properties. The County has recorded unearned taxes receivable of \$3,778,075 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 2013 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>\$5,856,050</u>	<u>(\$1,732,037)</u>	<u>\$ 4,124,013</u>

NOTE 5 - DUE FROM / DUE TO OTHER GOVERNMENTS

Amounts due from other governments are generally comprised of amounts due from Federal, State, and Local governmental units for reimbursement due under the grant programs at December 31, 2013. 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, 2013.

NOTE 6 - FIXED ASSETS

Capital asset activity for the year ended December 31, 2013 was as follows:

	<u>Balance 12/31/12</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance 12/31/13</u>
Government activities:				
Capital assets not being depreciated:				
Construction-in-progress	\$ <u>13,125</u>	\$ <u>136,670</u>	(\$ <u>26,000</u>)	\$ <u>123,795</u>
Total capital assets not being depreciated	<u>13,125</u>	<u>136,670</u>	(<u>26,000</u>)	<u>123,795</u>
Other capital assets:				
Site improvements	4,003,321	122,549	---	4,125,870
Infrastructure	14,725,074	---	---	14,725,074

Building and permanent fixtures	49,652,098	59,731	(5,866)	49,705,963
Office furniture and equipment	2,707,597	64,796	(1,733,388)	1,039,005
General equipment	4,525,223	128,554	(3,438)	4,650,339
Radio equipment	548,195	186,292	(18,039)	716,448
Computer hardware and software	7,035,882	40,423	(1,471,744)	5,604,561
Vehicles	<u>4,931,395</u>	<u>411,963</u>	<u>---</u>	<u>5,343,358</u>
Total capital assets, at cost	<u>88,128,785</u>	<u>1,014,308</u>	<u>(3,232,475)</u>	<u>85,910,618</u>
Less accumulated depreciation for:				
Site improvements	(1,402,122)	(118,275)	---	(1,520,397)
Infrastructure	(4,486,655)	(338,514)	---	(4,825,169)
Building and permanent fixtures	(20,933,150)	(1,224,311)	5,866	(22,151,595)
Office furniture and equipment	(1,471,828)	(42,566)	733,914	(780,480)
General equipment	(2,269,190)	(400,657)	3,438	(2,666,409)
Radio equipment	(480,454)	(20,805)	12,103	(489,156)
Computer hardware and software	(6,803,083)	(103,856)	1,450,621	(5,456,318)
Vehicles	<u>(3,254,243)</u>	<u>(443,797)</u>	<u>---</u>	<u>(3,698,040)</u>
Total accumulated Depreciation	<u>(41,100,725)</u>	<u>(2,692,781)</u>	<u>2,205,942</u>	<u>(41,587,564)</u>
Governmental activities capital assets, net	<u>\$ 47,041,185</u>	<u>(\$ 1,541,803)</u>	<u>(\$ 1,052,533)</u>	<u>\$ 44,446,849</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	---	---	6,758,056

Office furniture and equipment	6,500	1,655,543	---	1,662,043
Computer hardware and software	---	1,109,356	---	1,109,356
Machinery & equipment	<u>12,527,705</u>	<u>9,572</u>	<u>---</u>	<u>12,537,277</u>
Total capital assets at cost	<u>19,295,998</u>	<u>2,774,471</u>	<u>---</u>	<u>22,070,469</u>
Less accumulated depreciation for:				
Site improvements	(3,737)	(---)	---	(3,737)
Buildings and permanent fixtures	(3,201,600)	(228,343)	---	(3,429,943)
Office furniture and equipment	(1,625)	(802,676)	---	(804,301)
Computer hardware and software	---	(1,058,411)	---	(1,058,411)
Machinery & equipment	(<u>4,858,115</u>)	(<u>739,802</u>)	<u>---</u>	(<u>5,597,917</u>)
Total accumulated depreciation	(<u>8,065,077</u>)	(<u>2,829,232</u>)	<u>---</u>	(<u>10,894,309</u>)
Business-type activities capital assets, net	\$ <u>11,521,037</u>	(\$ <u>54,761</u>)	\$ <u>---</u>	\$ <u>11,466,276</u>

COMPONENT UNITS:

Summaries of the component units' fixed assets as of December 31, 2013 follow:

	<u>Balance 12/31/12</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance 12/31/13</u>
Planning Commission:				
Equipment	\$ 23,057	\$ 1,022	\$ ---	\$ 24,079
Less: Accumulated depreciation	(<u>21,555</u>)	(<u>657</u>)	<u>---</u>	(<u>22,212</u>)
Total capital assets, net	\$ <u>1,502</u>	(\$ <u>365</u>)	\$ <u>---</u>	\$ <u>1,867</u>
Redevelopment Authority:				
Construction in progress	\$ 61,179	\$ 66,645	\$ ---	\$ 127,824
Land	70,768	---	---	70,768
Buildings & improvements	1,333,163	---	---	1,333,163
Furniture & equipment	<u>21,222</u>	<u>73</u>	(<u>469</u>)	<u>20,826</u>
Total capital assets at cost	<u>1,486,332</u>	<u>66,718</u>	(<u>469</u>)	<u>1,552,581</u>
Less: Accumulated depreciation	(<u>99,653</u>)	(<u>59,522</u>)	<u>429</u>	(<u>158,746</u>)
Total capital assets, net	\$ <u>1,386,679</u>	\$ <u>7,196</u>	(\$ <u>40</u>)	\$ <u>1,393,835</u>

Library Association:

Construction in progress	\$ 2,707	\$ ---	(\$ 2,707)	\$ ---
Books & audio visual	1,608,549	81,759	(41,376)	1,648,932
Improvements	189,158	77,610	---	266,768
Furniture & equipment	127,624	3,198	---	130,822
Software	122,333	2,512	---	124,845
Computer equipment	340,360	2,339	---	342,699
Automobiles	<u>46,821</u>	<u>---</u>	<u>(28,021)</u>	<u>18,800</u>
Total capital assets at cost	<u>2,437,552</u>	<u>167,418</u>	<u>(72,104)</u>	<u>2,532,866</u>
Less: Accumulated depreciation	<u>(1,659,034)</u>	<u>(136,092)</u>	<u>54,686</u>	<u>(1,740,440)</u>
Total capital assets, net	<u>\$ 778,518</u>	<u>\$ 31,326</u>	<u>(\$ 17,418)</u>	<u>\$ 792,426</u>

Municipal Airport Authority:

Land	\$ 1,909,798	\$ ---	\$ ---	\$ 1,909,798
Construction-in-progress	236,218	690,842	---	927,060
Land improvements	38,734,774	---	---	38,734,774
Building & improvements	4,236,280	---	---	4,236,280
Vehicles & equipment	<u>2,180,845</u>	<u>4,965</u>	<u>---</u>	<u>2,185,810</u>
Total capital assets at cost	<u>47,297,915</u>	<u>695,807</u>	<u>(---)</u>	<u>47,993,722</u>
Less: Accumulated depreciation	<u>(33,307,929)</u>	<u>(1,131,175)</u>	<u>---</u>	<u>(34,439,104)</u>
Total capital assets, net	<u>\$ 13,989,986</u>	<u>(\$ 435,368)</u>	<u>(\$ ---)</u>	<u>\$ 13,554,618</u>

Transit Authority:

Land – Inclined Plane	\$ 851,712	\$ ---	(\$ 17,000)	\$ 834,712
Construction in Progress	471,880	1,430,086	---	1,901,966
Land Improvements	24,340	---	---	24,340
Buildings & Improvements	19,269,578	51,987	(6,394)	19,315,171
Vehicles, equipment and other	<u>17,582,543</u>	<u>528,389</u>	<u>(424,732)</u>	<u>17,686,200</u>
Total capital assets at cost	<u>38,200,053</u>	<u>2,010,462</u>	<u>(448,126)</u>	<u>39,762,389</u>
Less: Accumulated depreciation	<u>(21,192,657)</u>	<u>(1,702,545)</u>	<u>416,753</u>	<u>(22,478,449)</u>
Total capital assets, net	<u>\$ 17,007,396</u>	<u>\$ 307,917</u>	<u>(\$ 31,373)</u>	<u>\$ 17,283,940</u>

Solid Waste Management Authority:

	\$ 19,098	\$ ---	\$ ---	\$ 19,098
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Furniture & fixtures

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>631,351</u>)	(<u>31,600</u>)	<u>---</u>	(<u>662,951</u>)
Total capital assets, net	<u>\$ 324,480</u>	(<u>\$ 31,600</u>)	<u>\$ ---</u>	<u>\$ 292,880</u>

**Conservation & Recreation
Authority:**

Land	\$ 6,492,302	\$ ---	\$ ---	\$ 6,492,302
Building	1,034,796	---	---	1,034,796
Equipment	<u>108,786</u>	<u>5,343</u>	(<u>8,750</u>)	<u>105,379</u>
Total capital assets at cost	<u>7,635,884</u>	<u>5,343</u>	(<u>8,750</u>)	<u>7,632,477</u>
Less: Accumulated depreciation	(<u>223,304</u>)	(<u>40,270</u>)	<u>8,750</u>	(<u>254,824</u>)
Total capital assets, net	<u>\$ 7,412,580</u>	(<u>\$ 34,927</u>)	<u>\$ ---</u>	<u>\$ 7,377,653</u>

**Pennsylvania Highlands
Community College:**

Equipment	\$ 3,930,366	\$ 298,560	(\$ 12,650)	\$ 4,216,276
Construction-In-Progress	135,205	362,503	---	497,708
Leasehold improvements	11,175,011	---	---	11,175,011
Computer software	<u>246,911</u>	<u>18,420</u>	<u>---</u>	<u>265,331</u>
Total capital assets at cost	<u>15,487,493</u>	<u>679,483</u>	(<u>12,650</u>)	<u>16,154,326</u>
Less: Accumulated depreciation	(<u>4,712,344</u>)	(<u>918,156</u>)	<u>12,650</u>	(<u>5,617,850</u>)
Total capital assets, net	<u>\$ 10,775,149</u>	(<u>\$ 238,673</u>)	<u>\$ ---</u>	<u>\$ 10,536,476</u>

War Memorial Arena Authority:

Equipment	\$ 508,731	\$ ---	\$ ---	\$ 508,731
Leasehold improvements	<u>550,766</u>	<u>---</u>	<u>---</u>	<u>550,766</u>
Total capital assets at cost	<u>1,059,497</u>	<u>---</u>	<u>---</u>	<u>1,059,497</u>
Less: Accumulated depreciation	(<u>588,761</u>)	(<u>62,004</u>)	<u>---</u>	(<u>650,765</u>)
Total capital assets, net	<u>\$ 470,736</u>	(<u>\$ 62,004</u>)	<u>\$ ---</u>	<u>\$ 408,732</u>

**Behavioral Health of Cambria
County:**

Equipment	\$ 20,716	\$ 6,719	\$ ---	\$ 27,435
	<u>17,538</u>	<u>---</u>	<u>--</u>	<u>17,538</u>

Vehicles

Total capital assets at cost	<u>38,254</u>	<u>6,719</u>	<u>---</u>	<u>44,973</u>
Less: Accumulated depreciation	<u>(24,326)</u>	<u>(10,618)</u>	<u>---</u>	<u>(34,944)</u>
Total capital assets, net	<u>\$ 13,928</u>	<u>(\$ 3,899)</u>	<u>\$ ---</u>	<u>\$ 10,029</u>
Total Component Unit Capital Assets at December 31, 2013				<u>\$ 51,652,456</u>

NOTE 7 - EMPLOYEE RETIREMENT TRUST PLAN

Plan Description

The County of Cambria provides a single-employer defined benefit pension plan that is administered by the County Retirement Board. The plan is included in the financial statements of the County of Cambria as a retirement trust fund. The plan provides retirement, disability and death benefits to plan members and their beneficiaries pursuant to Act 96 of 1971 of the Commonwealth of Pennsylvania (County Pension Law), which may be amended by the General Assembly of the Commonwealth of Pennsylvania. Cost-of-living adjustments are provided at the discretion of the County Retirement Board.

Basis of Accounting

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

Valuation of Investments

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

Membership

Membership of the plan consisted of the following at December 31, 2013, the date of the latest actuarial valuation:

Retirees and Beneficiaries Receiving Benefits	1,004
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	163
Active Plan Members	<u>705</u>
	<u>1,872</u>

Funding Policy

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

Actuarial Methods and Assumptions

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

Actuarial Cost Method:	Aggregate Actuarial Cost
Asset Valuation Method:	6-Year Smoothed Market Value and Post-2008 adjusted cost (subject to Act 44 methodology and limits)

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

Annual Pension Cost and Net Pension Obligation

The County's Annual Required Contribution for 2013, was determined as part of the December 31, 2012, actuarial valuation. The County's annual required contribution and net pension obligation to the Cambria County Employee's Retirement System were \$2,203,855 for 2013. The County uses the aggregate actuarial cost method, which does not identify or separately amortize unfunded actuarial liabilities.

Annual Pension Cost - Three-year Trend Information

<u>Year Ended</u>	<u>Annual Pension Cost</u>	<u>Percentage of Annual Pension Cost Contributed</u>	<u>Net Pension Obligation</u>
December 31, 2013	\$2,205,337	100%	\$ ---
December 31, 2012	\$2,253,498	100%	\$ ---
December 31, 2011	\$2,148,200	100%	\$ ---

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

Plan Description

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

Funding Policy

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

Annual OPEB Cost and Net OPEB Obligation

The County's annual other post-retirement benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over 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	\$ 3,242,854
Interest on Net OPEB Obligation	(3,025)
Adjustment to Annual Required Contribution	<u>3,460</u>
Annual OPEB Cost (Expense)	3,243,289
Contributions Made or Accrued	(<u>3,150,430</u>)
Increase in Net Obligation	92,859
Net OPEB Asset 1/1/2013	(<u>40,333</u>)
Net OPEB Obligation 12/31/2013	\$ <u><u>52,526</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 is as follows:

<u>Fiscal Year</u> <u>Ended</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage of</u> <u>OPEB Cost</u>	<u>Net OPEB</u> <u>Obligation</u>
12/31/13	\$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
12/31/08	\$2,453,347	81.9%	\$929,970

Funded Status and Funding Progress

As of January 1, 2013, the most recent actuarial date, the plan was 0% funded. The actuarial accrued liability for benefits was \$33,842,199 and the actuarial value of assets was \$0 resulting in an unfunded actuarial accrued liability (UAAL) of \$33,842,199. 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 135%.

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.

In the January 1, 2013 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 7.5% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan assets at the valuation date, and an annual healthcare cost trend rate of 8% initially, reduced by decrements to an ultimate rate of 5% after three years. The actuarial value of assets was determined using a standard balance portfolio expectation for retirement plan asset returns. The UAAL is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at January 1, 2013 was 24 years.

NOTE 9 - 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, 2013 is \$669,255, 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, 2013 and 2012:

<u>Year</u>	<u>January 1, Liability</u>	<u>Net Incurred/(Settled) Claims</u>	<u>Payments</u>	<u>December 31, Liability</u>
2013	<u>\$ 1,111,611</u>	<u>(\$ 576,274)</u>	<u>\$ 133,918</u>	<u>\$ 669,255</u>
2012	<u>\$ 1,564,896</u>	<u>(\$ 3,662,394)</u>	<u>\$ 3,209,109</u>	<u>\$ 1,111,611</u>

Medical Insurance

Beginning January 1, 2011, the County established 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 \$200,000 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 10 - CAPITAL CONTRIBUTIONS

Component Units

Summaries of the component units' capital contributions as of December 31, 2013 follow:

Municipal Airport Authority

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

Grants for capital asset acquisition, facility development and rehabilitation and eligible long-term planning studios are reported in the Statement of Revenues, Expenses, and Changes in Net Position, after non-operating revenues and expenses as capital contributions which amounted to \$548,882 at December 31, 2013.

Transit Authority

Capital grant contributions from federal and state governments amounted to \$2,010,685 for the Transit Authority at June 30, 2013.

Community College

Capital grant contributions from federal and state governments amounted to \$49,727 for the College at June 30, 2013. This amount represents Perkins and KEYS grant capital funds used to purchase equipment for student use.

NOTE 11 – LONG-TERM OBLIGATIONS

Long-term liability activity for the year ended December 31, 2013, was as follows:

	Balance 12/31/12	Additions	Reductions	Balance 12/31/13	Amounts Due Within One Year
Governmental Activities:					
Bonds and Notes Payable:					
2006 General Obligation Notes	\$ 3,442,112	\$ ---	(\$ 310,815)	\$ 3,131,297	\$ 328,918
2006 Tax Exempt Bank					

Loan	6,423,974	---	(226,518)	6,197,456	238,283
2011 General Obligation Notes	21,645,753	---	(1,441,089)	20,204,664	1,517,607
Other Liabilities:					
Accrued Vacation	1,577,335	71,597	---	1,648,932	1,648,932
Accrued Sick Pay	519,852	---	(20,042)	499,810	---
OPEB Obligation	(40,333)	92,859	---	52,526	---
Estimated Workers' Compensation Liability	<u>1,111,611</u>	<u>---</u>	<u>(442,356)</u>	<u>669,255</u>	<u>---</u>
Governmental Activities Long-term Liabilities	<u>\$ 34,680,304</u>	<u>\$ 164,456</u>	<u>(\$ 2,440,820)</u>	<u>\$ 32,403,940</u>	<u>\$ 3,733,740</u>
	<u>Balance 12/31/12</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/13</u>	<u>Amounts Due Within One Year</u>
Business-type Activities:					
Bonds and Notes Payable:					
2011 General Obligation Notes	\$ 3,814,247	\$ ---	(\$ 253,911)	\$ 3,560,336	\$ 267,393
Other Liabilities:					
Accrued Vacation Pay	9,217	1,225	---	10,442	10,442
Accrued Sick Pay	<u>6,008</u>	<u>326</u>	<u>---</u>	<u>6,334</u>	<u>---</u>
Business-type Activities Long-term Liabilities	<u>\$ 3,829,472</u>	<u>\$ 1,551</u>	<u>(\$ 253,911)</u>	<u>\$ 3,577,112</u>	<u>\$ 277,835</u>

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 to purchase certain equipment of the County and renovate the War Memorial Building. The balance outstanding at December 31, 2013 amounted to \$3,131,297 (final maturity in 2021).

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

Tax Exempt Bank Loan, Series of 2006

In February 2006, the County issued \$7,706,846 in a Tax Exempt Bank Loan to advance refund the 2000 General Obligation Notes. The General Obligation Notes in 2000 were incurred for the purpose of providing funds to pay for the lease rental debt with Cambria County Industrial Development Authority for capital projects. The balance outstanding amounted to \$6,197,456 (final maturity in 2030).

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

General Obligation Note, Series of 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 is fixed for a period of five (5) years at 4.1%. After the initial five (5) year period, the interest rate will be reset to the tax free equivalent of the sum of the Federal Home Loan Bank of Pittsburgh Five Year Rate plus two and eighty five hundredths percent (2.85%) fixed for five (5) years; thereafter the interest rate will be reset to the tax free equivalent of the sum of the Federal Home Loan Bank of Pittsburgh Five Year Rate plus two and eighty five hundredths percent (2.85%) for the remaining term. Under no circumstances will the interest rate be less than three percent (3.00%), tax free, or more than seven percent (7.00%), tax free, per annum.

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>
2006 General Obligation Notes			
<u>Years Ending December 31:</u>			
2014	\$ 328,918	\$ 152,710	\$ 481,628
2015	344,357	136,071	480,428
2016	361,044	118,645	479,689
2017	377,339	100,389	477,728
2018	397,903	81,265	479,168
2019-2021	<u>1,321,736</u>	<u>118,779</u>	<u>1,440,515</u>
	<u>\$ 3,131,297</u>	<u>\$ 707,859</u>	<u>\$ 3,839,156</u>
To be Retired by:			
Business-Type Activities	\$ ---	\$ ---	\$ ---
Governmental Activities	<u>3,131,297</u>	<u>707,859</u>	<u>3,839,156</u>
	<u>\$ 3,131,297</u>	<u>\$ 707,859</u>	<u>\$ 3,839,156</u>

	<u>Principal Requirements</u>	<u>Interest Requirements</u>	<u>Total Debt Service Requirements</u>
2006 Tax Exempt Bank Loans			
<u>Years Ending December 31:</u>			
2014	\$ 238,283	\$ 306,607	\$ 544,890
2015	250,346	294,544	544,890
2016	263,019	281,871	544,890
2017	276,335	268,555	544,890
2018	290,324	254,566	544,890
2019-2023	1,687,544	1,036,905	2,724,449
2024-2028	2,160,199	564,250	2,724,449
2029-2030	<u>1,031,406</u>	<u>58,373</u>	<u>1,089,780</u>
	<u>\$ 6,197,456</u>	<u>\$ 3,065,671</u>	<u>\$ 9,263,127</u>
To be Retired by:			
Business-Type Activities	\$ ---	\$ ---	\$ ---
Governmental Activities	<u>6,197,456</u>	<u>3,065,671</u>	<u>9,263,127</u>
	<u>\$ 6,197,456</u>	<u>\$ 3,065,671</u>	<u>\$ 9,263,127</u>
	<u>Principal Requirements</u>	<u>Interest Requirements</u>	<u>Total Debt Service Requirements</u>
2011 General Obligation Notes			
<u>Years Ending December 31:</u>			
2014	\$ 1,785,000	\$ 974,365	\$ 2,759,365
2015	1,880,000	901,180	2,781,180
2016	1,985,000	824,100	2,809,100
2017	2,095,000	742,715	2,837,715
2018	2,200,000	656,820	2,856,820
2019-2023	<u>13,820,000</u>	<u>1,816,300</u>	<u>15,636,300</u>
	<u>\$ 23,765,000</u>	<u>\$ 5,915,480</u>	<u>\$ 29,680,480</u>
To be Retired by:			
Business-Type Activities	\$ 3,560,336	\$ 886,223	\$ 4,446,559
Governmental Activities	<u>20,204,664</u>	<u>5,029,257</u>	<u>25,233,921</u>
	<u>\$ 23,765,000</u>	<u>\$ 5,915,480</u>	<u>\$ 29,680,480</u>

NOTE 12 - CAPITAL LEASES

	<u>Balance 12/31/12</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/13</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Capital Leases:					
Series 2006A and 2006B Lease Revenue Notes	\$ 8,895,139	\$ ---	(\$ 388,695)	\$ 8,506,444	\$ 408,270
2004 CLT Efficient Tech Group	268,780	---	(200,063)	68,717	68,717
2005 Equipment Lease	177,396	---	(66,051)	111,345	69,327
2008 Equipment Lease	496,029	---	(29,277)	466,752	32,302
2009 Equipment Lease	82,432	---	(25,349)	57,083	26,655

2009 Prison Security Upgrades	1,292,473	---	(283,502)	1,008,971	295,780
2013 Upper Yoder Township Authority Lease Revenue Note	<u>---</u>	<u>5,000,000</u>	(<u>---</u>)	<u>5,000,000</u>	<u>488,036</u>
Governmental Activities Capital Leases	<u>\$ 11,212,249</u>	<u>\$ 5,000,000</u>	(<u>\$ 992,937</u>)	<u>\$ 15,219,312</u>	<u>\$ 1,389,087</u>
	<u>Balance</u> <u>12/31/12</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/13</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Business-type Activities:					
Capital Leases:					
2007 Cambria County General Financing Authority	<u>\$ 7,380,206</u>	<u>\$ ---</u>	(<u>\$ 914,834</u>)	<u>\$ 6,465,372</u>	<u>\$ 318,323</u>
Business-type Activities Capital Leases	<u>\$ 7,380,206</u>	<u>\$ ---</u>	(<u>\$ 914,834</u>)	<u>\$ 6,465,372</u>	<u>\$ 318,323</u>

Description of Leases

Series 2006A and 2006B Lease Revenue Notes

In February 2006, the County refinanced the Bank Qualified Tax Exempt Guaranteed Lease Revenue Note of 2003 with the Series 2006A Lease Revenue Note in the amount of \$9,128,264. The revised agreement calls for 45 semi-annual payments beginning June 1, 2006 through June 1, 2028. The current terms of the loan agreement call for semi-annual payments of \$341,910 after June 1, 2006. The Bank Qualified Tax Exempt Guaranteed Lease Revenue Note was originally incurred to lease back the Laurel Crest nursing home facility. The interest rate is 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 calls for 46 semi-annual payments beginning June 1, 2006 through December 1, 2028. The current terms of the loan agreement call for semi-annual payments of \$72,443 after June 1, 2006. The Taxable Guaranteed Lease Revenue Note was originally incurred to lease back the Laurel Crest nursing home facility. As a result of the sale of Laurel Crest Rehabilitation and Special Care Center, the debt became a general obligation of the County. The interest rate is fixed at 5%.

Former Laurel Crest Rehabilitation and Special Care Center Leases

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

\$17,336, beginning November 15, 2004 for 114 months. The capital lease has an effective interest rate of approximately 4.5%.

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

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

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

As a result of the sale of Laurel Crest Rehabilitation and Special Care Center 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 is \$2,020,000. The term of the lease is for 7 years with an effective interest rate of 4.33%.

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 will 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 leases 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 is 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 adjusts to the tax-exempt equivalent of the then-existing 3-year FHLB of Pittsburgh rate, plus 3.5%. The required principal and interest payments will be paid back through the debt service fund.

Cambria County General Financing Authority

In June of 2007, the County of Cambria entered into a sublease agreement with the Cambria County General Financing Authority, whereby the County of Cambria will make payments directly to a local financial institution equal to the amount of principal and interest payments due under a lease agreement between the local financial institution and the Cambria County General Financing Authority. The lease agreement between the Cambria County General Financing Authority and the local financial institution is for the lease of equipment constituting the network infrastructure supporting public safety/911 communications needs, traditional internet connectivity among school districts within the County, and the expansion of the availability of high speed broadband internet access to education institutions and municipalities within the County, and providing for the payment of rent by the Authority in an amount equal to principal and interest on the aggregate cost of the equipment financed pursuant to the agreement and related issuance costs. The total value of the leased equipment amounted to \$10,000,000. The term of the lease is for 15 years with an effective interest rate of 4.356% with payments commencing on January 1, 2008. The required principal and interest payments will be paid back by the Technology Fund. See Note 17 for additional information.

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

2014	\$ 1,707,410
2015	2,056,141
2016	2,080,267
2017	1,921,589
2018	1,925,374
Thereafter	<u>11,993,903</u>
	<u>\$ 21,684,684</u>
To be Retired by:	
Business Type Activities	\$ 6,465,372
Government Type Activities	<u>15,219,312</u>
	<u>\$ 21,684,684</u>

NOTE 13 - COMMITMENTS AND CONTINGENCIES

Component Units

Cambria County Redevelopment Authority

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, Inc. a department store chain, for financial assistance in the purchase and restructure of the Company in order to emerge from bankruptcy. The Commonwealth of Pennsylvania has pledged funds to fully guarantee the payment of the Section 108 Loan should Boscov's default on its loan payments.

Penn Highlands Community College

Guarantees of Indebtedness

In 2006, the State Public School Building Authority issued College Revenue Bonds, Series of 2006, in the amount of \$4,800,000. The bonds were issued by the Authority on behalf of Pennsylvania Highlands Community College to finance a project consisting of the design, construction, improvement, and equipping of a portion of a building which is owned by the Richland School District and is to be leased to the College to be used by the College as its main campus. 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, 2013 was \$1,655,000.

NOTE 14 - COMPENSATED ABSENCES

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

Vacation Pay

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

PTO (Paid-Time-Off)

Starting in 2010, all management, middle management, and non-union employees began earning PTO days instead of vacation, sick, personal or floating holidays. PTO time is earned at various rates based on length of service. The appropriate amount of PTO time is credited to the employee's account on

January 1st of each year. Employees are encouraged to utilize their time as needed however they are permitted to rollover up to ten (10) unused PTO days per year on December 31. These ten unused days accumulate in a PTO rollover bank up to a maximum of 50 days. If the employee would leave employment, they are paid for any unused PTO days at 50% of their value.

Sick Pay

County union employees may accumulate their unused sick days up to a maximum of 150 days to be taken in any given year. 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 15 - EXPENDITURES IN EXCESS OF BUDGET

For the year ended December 31, 2013, the following funds’ expenditures exceeded budget by the following amounts:

<u>Fund</u>	<u>Amount</u>
HMERA	\$ 3,284
DUI	\$ 397,502
Liquid Fuels Tax	\$ 54,034
Hotel Tax	\$ 2,643
Affordable Housing	\$ 86,882
Human Services	\$ 60,151

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

NOTE 16 - ACCOUNTABILITY

The following funds had deficit fund balances or net position as of December 31, 2013.

<u>Fund</u>	<u>Amount</u>
General	\$ 1,723,759
Booking Center	\$ 203,011
Parks and Playground	\$ 178,028

NOTE 17 - RELATED PARTY TRANSACTIONS

County Appropriations to Component Units:

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

Cambria County Planning Commission	\$ <u>46,200</u>
Redevelopment Authority of Cambria County	\$ <u>63,000</u>
Cambria Library Association	\$ <u>615,000</u>
Johnstown-Cambria County Airport Authority	\$ <u>174,000</u>
Cambria County Transit Authority	\$ <u>632,660</u>
Cambria County Economic Development Authority	\$ <u>125,000</u>
Cambria County Solid Waste Management Authority	\$ <u>342,000</u>
Cambria County Conservation and Recreation Authority	\$ <u>130,000</u>
Pennsylvania Highlands Community College	\$ <u>1,173,000</u>
Cambria County War Memorial Arena Authority	\$ <u>169,500</u>

County Appropriations to Related Organizations:

Cambria County Child Development Corp.	\$ <u>3,631,097</u>
Cambria Somerset Authority	\$ <u>140,000</u>
Cambria County General Financing Authority	\$ <u>1,216,677</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 and 2012 totaled \$626,494. The County advanced an additional \$323,880 in 2013, bringing the loan receivable balance to \$950,374 at December 31, 2013. 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. The Authority requested audits for fiscal years 2010 and 2011, as of February 11, 2014 the audits are still pending.

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 Capital Contribution Payable to SMG

As of June 30, 2013, SMG is owed management fees and expenses in the amount of \$268,424. In addition, as of June 30, 2013, SMG is owed capital contribution payments in the amount of \$52,500. 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.

Subsequent to year-end, in addition to management fees and capital contributions owed at June 30, 2014, no management fees or capital contributions have been paid by the Arena through February 11, 2014 to SMG. The Authority and SMG are currently in the process of negotiating the contract and all fees and expenses.

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 18 - 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

restricted accounts are recorded as an asset, cash held for clients as representative payee of \$236,729 as of December 31, 2013. An offsetting liability is recorded, reserve for cash held as representative payee, in the accompanying combining balance sheet statement.

NOTE 19 - LITIGATION

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

NOTE 20 - PRIOR PERIOD ADJUSTMENT

Effective January 1, 2013, the County implemented GASB Statement # 65, "Items Previously Reported as Assets and Liabilities". The standard requires that debt issuance costs, except any portion related to prepaid insurance costs, be recognized as an expense in the period incurred. The impact on net position of expensing the net book value of previously capitalized bond issuance costs is as follows:

Governmental Activities	\$ 367,942
Business-type Activities	<u>97,976</u>
Total	<u>\$ 465,918</u>

In addition, a prior period adjustment of \$133,009 was recorded in the general fund to properly match grant revenues with expenditures for the HAVA Title II, Section 251 grant.

NOTE 21 - SUBSEQUENT EVENTS

Tax Anticipation Note

In January 2014, the County issued a tax and revenue anticipation note of \$5,000,000 with an interest rate of 1.29%. The due date of the note is July 1, 2014.

Subsequent events were evaluated through June 20, 2014, the date the financial statements were available to be issued.

REQUIRED
SUPPLEMENTARY
INFORMATION

COUNTY OF CAMBRIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
Revenues				
Real estate taxes	\$ 37,368,774	\$ 37,368,774	\$ 36,003,545	\$ (1,365,229)
Charges for services	7,901,730	7,923,134	8,005,758	82,624
Interest and investment income	23,900	23,900	11,993	(11,907)
Intergovernmental revenues	9,653,310	16,415,548	14,567,129	(1,848,419)
Other	427,744	427,744	596,813	169,069
Total Revenues	55,375,458	62,159,100	59,185,238	(2,973,862)
Expenditures				
General government - Administrative	6,266,635	12,189,601	11,861,496	328,105
General government - Judicial	9,638,964	9,833,444	9,616,077	217,367
Public safety	17,372,372	17,466,255	15,623,307	1,842,948
Public works	1,183,003	1,076,002	1,077,249	(1,247)
Human services	5,825,000	5,825,000	4,933,162	891,838
Culture and recreation	837,788	843,861	631,430	212,431
Conservation and development	1,397,296	2,068,999	1,732,887	336,112
Employee benefits	2,830,937	2,830,937	2,732,652	98,285
Debt service	180,000	180,000	187,164	(7,164)
Total Expenditures	45,531,995	52,314,099	48,395,424	3,918,675
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	9,843,463	9,845,001	10,789,814	944,813
Other Financing Sources/(Uses)				
Proceeds from Capital Lease	-	-	5,000,000	5,000,000
Net long-term transfer from Technology Fund	-	-	1,055,100	1,055,100
Operating transfers in	335,600	405,600	257,250	(148,350)
Operating transfers (out)	(12,453,927)	(12,468,586)	(16,515,926)	(4,047,340)
Total Other Financing Sources/(Uses)	(12,118,327)	(12,062,986)	(10,203,576)	1,859,410
Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(2,274,864)	(2,217,985)	586,238	2,804,223
Fund Balance/(Deficit) - Beginning of Year	-	-	(2,443,006)	(2,443,006)
Prior Period Adjustment (Note 20)	-	-	133,009	133,009
Fund Balance/(Deficit) - Beginning of Year, as restated	-	-	(2,309,997)	(2,309,997)
Fund Balance/(Deficit) - End of Year	\$ (2,274,864)	\$ (2,217,985)	\$ (1,723,759)	\$ 494,226

See Independent Auditor's Report

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, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable/ (Unfavorable)
Revenues				
Intergovernmental revenues	\$ 8,380,030	\$ 8,380,030	\$ 8,022,247	\$ (357,783)
Charges for services	1,475,000	1,475,000	1,398,955	(76,045)
Interest and investment income	500	500	1,742	1,242
Other income	16,985	16,985	2,900	(14,085)
Total Revenues	9,872,515	9,872,515	9,425,844	(446,671)
Expenditures				
Human services	10,267,515	10,267,515	9,825,723	441,792
Total Expenditures	10,267,515	10,267,515	9,825,723	441,792
(Deficiency)/Excess of Revenue Over/(Under)				
Expenditures	(395,000)	(395,000)	(399,879)	(4,879)
Other Financing Sources/(Uses)				
Operating transfers in	400,000	400,000	399,879	(121)
Operating transfers (out)	-	-	-	-
Total Other Financing Sources/ (Uses)	400,000	400,000	399,879	(121)
Excess of Revenues and Other Financing Sources Over/(Under)				
Expenditures and Other Financing Uses	5,000	5,000	-	5,000
Fund Balance/(Deficit) - Beginning of Year	-	-	-	-
Fund Balance - End of Year	\$ 5,000	\$ 5,000	\$ -	\$ 5,000

COUNTY OF CAMBRIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - HEALTH CHOICES FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final	Amounts	
Revenues				
Intergovernmental revenues	\$ 26,000,000	\$ 26,000,000	\$ 31,087,197	\$ 5,087,197
Charges for services	-	-	-	-
Interest and investment income	370	370	155	(215)
Other income	-	-	-	-
Total Revenues	26,000,370	26,000,370	31,087,352	5,086,982
Expenditures				
Human Services	26,000,370	26,000,370	31,087,352	(5,086,982)
Total Expenditures	26,000,370	26,000,370	31,087,352	(5,086,982)
(Deficiency)/Excess of Revenue Over/(Under)				
Expenditures	-	-	-	-
Other Financing Sources/(Uses)				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Total Other Financing Sources/(Uses)	-	-	-	-
Excess of Revenues and Other Financing Sources Over/(Under)				
Expenditures and Other Financing Uses	-	-	-	-
Fund Balance/(Deficit) - Beginning of Year	-	-	-	-
Fund Balance - End of Year	\$ -	\$ -	\$ -	\$ -

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, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
Revenues				
Intergovernmental revenues	\$ 7,941,019	\$ 7,941,019	\$ 6,879,497	\$ (1,061,522)
Charges for services	129,708	129,708	114,215	(15,493)
Interest and investment income	-	-	-	-
Other income	-	-	150	150
Total Revenues	8,070,727	8,070,727	6,993,862	(1,076,865)
Expenditures				
Human services	9,618,369	9,618,369	8,529,227	1,089,142
Total Expenditures	9,618,369	9,618,369	8,529,227	1,089,142
(Deficiency)/Excess of Revenue Over/(Under)				
Expenditures	(1,547,642)	(1,547,642)	(1,535,365)	12,277
Other Financing Sources/(Uses)				
Operating transfers in	1,547,642	1,547,642	1,535,365	(12,277)
Operating transfers (out)	-	-	-	-
Total Other Financing Sources/ (Uses)	1,547,642	1,547,642	1,535,365	(12,277)
Excess of Revenues and Other Financing Sources Over/(Under)				
Expenditures and Other Financing Uses	-	-	-	-
Fund Balance/(Deficit) - Beginning of Year	-	-	-	-
Fund Balance - End of Year	\$ -	\$ -	\$ -	\$ -

SUPPLEMENTARY
INFORMATION

COUNTY OF CAMBRIA
EMPLOYEE RETIREMENT PLAN -
SUPPLEMENTARY INFORMATION
ANALYSIS OF FUNDING
FOR THE YEAR ENDED DECEMBER 31, 2013

Schedule of Employer Contributions - Six Year Supplementary Information

<u>Year Ended</u>	<u>Annual Required Contribution ("ARC")</u>	<u>Percentage of ARC Contributed</u>
December 31, 2008	\$ 255,108	100%
December 31, 2009	\$ 1,695,028	100%
December 31, 2010	\$ 2,265,930	100%
December 31, 2011	\$ 2,146,500	100%
December 31, 2012	\$ 2,251,888	100%
December 31, 2013	\$ 2,203,855	100%

Funded Status and Funding Progress

As of December 31, 2013, the most recent actuarial valuation date, the Plan was valued under the aggregate cost method. In order to comply with the requirements of GASB Statement 50, actuarial valuation components have also been determined, using the same array of actuarial assumptions, under the Entry Age Actuarial Cost Method as a surrogate method for reporting and tracking funding progress. Under this surrogate basis, the Plan was 89 percent funded. The Entry Age actuarial accrued liability for benefits was \$206.8 million, and the actuarial value of assets was \$184.3 million, resulting in an unfunded Entry Age actuarial accrued liability (UAAL) of \$22.5 million. The covered payroll (annual payroll of active employees covered by the Plan) was \$25.0 million and the ratio of the UAAL to the covered payroll was 90 percent.

COUNTY OF CAMBRIA NONMAJOR FUNDS

The following are the County's nonmajor funds, for the year ending December 31, 2013:

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.

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

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

CORONER VITAL STATISTICS FUND: The Office of the Coroner receives a vital statistic fee for 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. In addition, the program receives monies under the Federal School Lunch program. The Detention Home is a 24-hour maximum security facility for youth ages 10-18. The Shelter is a 24-hour staff security facility for youth ages 10-18 with a 30 day limit. The school lunch program provides nutrition funding for breakfast and lunch for all residents.

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

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

PARKS & PLAYGROUNDS 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.

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

FOSTER 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.

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-sight, the fee amounting to \$75 per each hazardous material. In addition an annual \$100 fee is charged for the agency developing an emergency response plan for any occurrence of an accidental release of hazardous materials, such as a road spill or a release into the atmosphere. The State matches the Company assessments dollar for dollar, subject to funds availability, and forwards the matching to this agency which deposits these monies into this fund.

SPECIAL HAZARDOUS ASSISTANCE RESPONSE TEAM FUND (SHARP): This fund is related to the HMER fund discussed above in that the SHARP fund is comprised of volunteers who are paged to respond to emergency situations. These individuals operate a HAZMAT (hazardous materials) truck (a self-contained response truck) which aids in the assistance of responding to and cleaning up an accident site. After this team has responded

to an accident, this agency will send out a billing to the responsible party for the rendered services. If the team was assisted by another unit, such as a fire company, in taking care of an accident, this agency will make certain that the assisting unit will receive its proper share of the billing.

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, 2013

	Debt Service Fund	Hotel Tax Fund	Redevelopment Authority	Liquid Fuels Tax Fund
	<u>Fund</u>	<u>Fund</u>	<u>Authority</u>	<u>Fund</u>
<u>ASSETS AND DEFERRED OUTFLOWS</u>				
Assets				
Cash and cash equivalents	\$ 866	\$ 5,678	\$ -	\$ 906,329
Cash Held for Clients as Representative Payee and Guardianship Program (Note 18)	-	-	-	-
Restricted cash	-	-	-	-
Accounts receivable	-	57,123	-	4,444
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>\$ 62,801</u>	<u>\$ -</u>	<u>\$ 910,773</u>
<u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</u>				
Liabilities				
Accounts payable and accrued liabilities	\$ -	\$ 62,800	\$ -	\$ -
Reserved Cash Held for Clients as Representative Payee and Guardianship Program (Note 18)	-	-	-	-
Due to other funds	866	-	-	4,444
	<u>866</u>	<u>-</u>	<u>-</u>	<u>4,444</u>
Total Liabilities	<u>866</u>	<u>62,800</u>	<u>-</u>	<u>4,444</u>
Deferred Inflows				
Unearned revenues	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance				
Unassigned	-	-	-	-
Assigned	-	1	-	906,329
	<u>-</u>	<u>1</u>	<u>-</u>	<u>906,329</u>
Total Fund Balance	<u>-</u>	<u>1</u>	<u>-</u>	<u>906,329</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 866</u>	<u>\$ 62,801</u>	<u>\$ -</u>	<u>\$ 910,773</u>

COUNTY OF CAMBRIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2013

	<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	\$ 694,925	\$ 81,596	\$ 97,794	\$ 11
Cash Held for Clients as Representative Payee and Guardianship Program (Note 18)	-	-	-	-
Restricted cash	-	-	-	-
Accounts receivable	100,560	-	-	-
Due from other governments	-	425,183	-	-
Due from other funds	-	-	225,201	13,960
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets and Deferred Outflows	<u>\$ 795,485</u>	<u>\$ 506,779</u>	<u>\$ 322,995</u>	<u>\$ 13,971</u>
<u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</u>				
Liabilities				
Accounts payable and accrued liabilities	\$ 94,592	\$ 61,742	\$ 231,759	\$ 5,022
Reserved Cash Held for Clients as Representative Payee and Guardianship Program (Note 18)	-	-	-	-
Due to other funds	532,707	445,037	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>627,299</u>	<u>506,779</u>	<u>231,759</u>	<u>5,022</u>
Deferred Inflows				
Unearned revenues	168,186	-	91,236	8,949
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Fund Balance				
Unassigned	-	-	-	-
Assigned	-	-	-	-
	<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>\$ 795,485</u>	<u>\$ 506,779</u>	<u>\$ 322,995</u>	<u>\$ 13,971</u>

COUNTY OF CAMBRIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2013

	Detention/ Shelter Fund	Juvenile Probation Fund	Jail/ Detention Fund	Parks & Playgrounds Fund
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>
<u>ASSETS AND DEFERRED OUTFLOWS</u>				
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ 5,006	\$ -
Cash Held for Clients as Representative Payee and Guardianship Program (Note 18)	-	-	-	-
Restricted cash	-	-	-	-
Accounts receivable	-	-	2,295	-
Due from other governments	105,860	340,706	-	-
Due from other funds	-	-	54,323	-
	<u>-</u>	<u>-</u>	<u>54,323</u>	<u>-</u>
Total Assets and Deferred Outflows	<u>\$ 105,860</u>	<u>\$ 340,706</u>	<u>\$ 61,624</u>	<u>\$ -</u>
<u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</u>				
Liabilities				
Accounts payable and accrued liabilities	\$ 56,741	\$ 110,857	\$ 25,140	\$ -
Reserved Cash Held for Clients as Representative Payee and Guardianship Program (Note 18)	-	-	-	-
Due to other funds	49,119	229,849	-	178,028
	<u>49,119</u>	<u>229,849</u>	<u>-</u>	<u>178,028</u>
Total Liabilities	<u>105,860</u>	<u>340,706</u>	<u>25,140</u>	<u>178,028</u>
Deferred Inflows				
Unearned revenues	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance				
Unassigned	-	-	-	(178,028)
Assigned	-	-	36,484	-
	<u>-</u>	<u>-</u>	<u>36,484</u>	<u>-</u>
Total Fund Balance	<u>-</u>	<u>-</u>	<u>36,484</u>	<u>(178,028)</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 105,860</u>	<u>\$ 340,706</u>	<u>\$ 61,624</u>	<u>\$ -</u>

COUNTY OF CAMBRIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2013

	Human Services Fund	Foster Grand- Parents Fund	Substance Abuse Fund	Capital Projects Fund
<u>ASSETS AND DEFERRED OUTFLOWS</u>				
Assets				
Cash and cash equivalents	\$ 5,004	\$ 649	\$ 4,548	\$ 8,852
Cash Held for Clients as Representative Payee and Guardianship Program (Note 18)	-	-	-	-
Restricted cash	-	-	-	-
Accounts receivable	-	-	22,121	-
Due from other governments	-	9,706	-	-
Due from other funds	59,069	-	506,311	-
Total Assets and Deferred Outflows	<u>\$ 64,073</u>	<u>\$ 10,355</u>	<u>\$ 532,980</u>	<u>\$ 8,852</u>
<u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</u>				
Liabilities				
Accounts payable and accrued liabilities	\$ 40,365	\$ 8,525	\$ 117	\$ -
Reserved Cash Held for Clients as Representative Payee and Guardianship Program (Note 18)	-	-	-	-
Due to other funds	-	1,830	-	-
Total Liabilities	<u>40,365</u>	<u>10,355</u>	<u>117</u>	<u>-</u>
Deferred Inflows				
Unearned revenues	<u>23,708</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance				
Unassigned	-	-	-	-
Assigned	<u>-</u>	<u>-</u>	<u>532,863</u>	<u>8,852</u>
Total Fund Balance	<u>-</u>	<u>-</u>	<u>532,863</u>	<u>8,852</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 64,073</u>	<u>\$ 10,355</u>	<u>\$ 532,980</u>	<u>\$ 8,852</u>

COUNTY OF CAMBRIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2013

	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	\$ 11	\$ 99,696	\$ 151,860	\$ 13,077
Cash Held for Clients as Representative Payee and Guardianship Program (Note 18)	-	-	-	-
Restricted cash	1,505	-	-	-
Accounts receivable	-	57,632	-	900
Due from other governments	-	-	8,843	-
Due from other funds	1,003	1,673,955	-	-
	<u>1,003</u>	<u>1,673,955</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows	<u>\$ 2,519</u>	<u>\$ 1,831,283</u>	<u>\$ 160,703</u>	<u>\$ 13,977</u>
<u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</u>				
Liabilities				
Accounts payable and accrued liabilities	\$ 1,500	\$ 19,310	\$ -	\$ 1,000
Reserved Cash Held for Clients as Representative Payee and Guardianship Program (Note 18)	-	-	-	-
Due to other funds	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>1,500</u>	<u>19,310</u>	<u>-</u>	<u>1,000</u>
Deferred Inflows				
Unearned revenues	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance				
Unassigned	-	-	-	-
Assigned	1,019	1,811,973	160,703	12,977
	<u>1,019</u>	<u>1,811,973</u>	<u>160,703</u>	<u>12,977</u>
Total Fund Balance	<u>1,019</u>	<u>1,811,973</u>	<u>160,703</u>	<u>12,977</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 2,519</u>	<u>\$ 1,831,283</u>	<u>\$ 160,703</u>	<u>\$ 13,977</u>

COUNTY OF CAMBRIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2013

	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	\$ 100,422	\$ 15,539	\$ 44,833	\$ 26,369
Cash Held for Clients as Representative Payee and Guardianship Program (Note 18)	-	-	-	236,729
Restricted cash	-	-	-	-
Accounts receivable	-	-	-	101,848
Due from other governments	-	1,010	591	27,268
Due from other funds	-	-	-	1,476,037
Total Assets and Deferred Outflows	<u>\$ 100,422</u>	<u>\$ 16,549</u>	<u>\$ 45,424</u>	<u>\$ 1,868,251</u>
<u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</u>				
Liabilities				
Accounts payable and accrued liabilities	\$ -	\$ 1,115	\$ 501	\$ 472,755
Reserved Cash Held for Clients as Representative Payee and Guardianship Program (Note 18)	-	-	-	236,729
Due to other funds	-	-	-	-
Total Liabilities	<u>-</u>	<u>1,115</u>	<u>501</u>	<u>709,484</u>
Deferred Inflows				
Unearned revenues	<u>100,422</u>	<u>-</u>	<u>-</u>	<u>1,158,767</u>
Fund Balance				
Unassigned	-	-	-	-
Assigned	<u>-</u>	<u>15,434</u>	<u>44,923</u>	<u>-</u>
Total Fund Balance	<u>-</u>	<u>15,434</u>	<u>44,923</u>	<u>-</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 100,422</u>	<u>\$ 16,549</u>	<u>\$ 45,424</u>	<u>\$ 1,868,251</u>

See Independent Auditor's Report

COUNTY OF CAMBRIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2013

	County Records Improvement Fund	HMER Fund	SHARP Fund	Booking Center Fund
<u>ASSETS AND DEFERRED OUTFLOWS</u>				
Assets				
Cash and cash equivalents	\$ 125,576	\$ 36,455	\$ 22,972	\$ 1,365
Cash Held for Clients as Representative Payee and Guardianship Program (Note 18)	-	-	-	-
Restricted cash	-	-	-	-
Accounts receivable	-	-	-	4,233
Due from other governments	5,930	-	-	-
Due from other funds	74,940	10,389	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets and Deferred Outflows	<u>\$ 206,446</u>	<u>\$ 46,844</u>	<u>\$ 22,972</u>	<u>\$ 5,598</u>
<u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</u>				
Liabilities				
Accounts payable and accrued liabilities	\$ 197	\$ 420	\$ 953	\$ 9,454
Reserved Cash Held for Clients as Representative Payee and Guardianship Program (Note 18)	-	-	-	-
Due to other funds	-	-	-	199,155
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>197</u>	<u>420</u>	<u>953</u>	<u>208,609</u>
Deferred Inflows				
Unearned revenues	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Fund Balance				
Unassigned	-	-	-	(203,011)
Assigned	206,249	46,424	22,019	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balance	<u>206,249</u>	<u>46,424</u>	<u>22,019</u>	<u>(203,011)</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 206,446</u>	<u>\$ 46,844</u>	<u>\$ 22,972</u>	<u>\$ 5,598</u>

COUNTY OF CAMBRIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2013

	<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	\$ 4,266	\$ 2,514	\$ 10,316	\$ 2,466,529
Cash Held for Clients as Representative				
Payee and Guardianship Program (Note 18)	-	-	-	236,729
Restricted cash	-	-	-	1,505
Accounts receivable	1,640	113	2,300	355,209
Due from other governments	-	-	-	925,097
Due from other funds	-	-	-	4,095,188
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets and Deferred Outflows	<u>\$ 5,906</u>	<u>\$ 2,627</u>	<u>\$ 12,616</u>	<u>\$ 8,080,257</u>
<u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</u>				
Liabilities				
Accounts payable and				
accrued liabilities	\$ 200	\$ -	\$ -	\$ 1,205,065
Reserved Cash Held for Clients as Representative				
Payee and Guardianship Program (Note 18)	-	-	-	236,729
Due to other funds	-	-	-	1,641,035
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>200</u>	<u>-</u>	<u>-</u>	<u>3,082,829</u>
Deferred Inflows				
Unearned revenues	-	-	-	1,551,268
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Fund Balance				
Unassigned	-	-	-	(381,039)
Assigned	5,706	2,627	12,616	3,827,199
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balance	<u>5,706</u>	<u>2,627</u>	<u>12,616</u>	<u>3,446,160</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 5,906</u>	<u>\$ 2,627</u>	<u>\$ 12,616</u>	<u>\$ 8,080,257</u>

COUNTY OF CAMBRIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Debt Service Fund	Hotel Tax Fund	Redevelopment Authority	Liquid Fuels Tax Fund
Revenues				
Intergovernmental revenues	\$ -	\$ -	\$ 1,186,201	\$ 589,212
Charges for services	-	-	-	-
Interest and investment income	16	32	-	4,557
Other income	-	370,108	-	-
Total Revenues	16	370,140	1,186,201	593,769
Expenditures				
General government - administrative	-	-	-	-
Human services	-	-	-	-
General government - judicial	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	624,485
Culture and recreation	-	-	-	-
Emergency communication services	-	-	-	-
Debt service	4,886,348	-	-	-
Conservation and development	-	362,740	1,186,201	-
Total Expenditures	4,886,348	362,740	1,186,201	624,485
(Deficiency)/Excess of Revenue Over/(Under) Expenditures	(4,886,332)	7,400	-	(30,716)
Other Financing Sources/(Uses)				
Operating transfers in	5,833,205	-	-	-
Operating transfers (out)	-	(7,403)	-	-
Total Other Financing Sources/ (Uses)	5,833,205	(7,403)	-	-
(Deficiency)/Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	946,873	(3)	-	(30,716)
Fund Balance - Beginning of Year	(946,873)	4	-	937,045
Fund Balance - End of Year	\$ -	\$ 1	\$ -	\$ 906,329

COUNTY OF CAMBRIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	911 Emergency Communication Fund	Domestic Relations Office Fund	Drug and Alcohol Fund	Coroner Vital Statistics
Revenues				
Intergovernmental revenues	\$ 1,174,098	\$ 1,457,148	\$ 1,502,739	\$ 7,129
Charges for services	630,095	19,301	-	-
Interest and investment income	1,318	84	473	62
Other income	150	-	-	-
Total Revenues	1,805,661	1,476,533	1,503,212	7,191
Expenditures				
General government - administrative	-	-	-	-
Human services	-	-	1,527,669	-
General government - judicial	-	2,462,963	-	31,997
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Emergency communication services	3,042,375	-	-	-
Debt service	-	-	-	-
Conservation and development	-	-	-	-
Total Expenditures	3,042,375	2,462,963	1,527,669	31,997
(Deficiency)/Excess of Revenue (Under) Expenditures	(1,236,714)	(986,430)	(24,457)	(24,806)
Other Financing Sources/(Uses)				
Operating transfers in	2,209,038	986,430	24,457	-
Operating transfers (out)	-	-	-	-
Total Other Financing Sources/ (Uses)	2,209,038	986,430	24,457	-
(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	972,324	-	-	(24,806)
Fund Balance - Beginning of Year	(972,324)	-	-	24,806
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, 2013

	Detention/ Shelter Fund	Juvenile Probation Fund	Jail/ Detention Fund	Parks & Playgrounds Fund
Revenues				
Intergovernmental revenues	\$ -	\$ 755,585	\$ -	\$ -
Charges for services	837,230	-	-	-
Interest and investment income	-	-	83	-
Other income	132	431,677	22,981	-
Total Revenues	837,362	1,187,262	23,064	-
Expenditures				
General government - administrative	-	-	-	-
Human services	-	-	-	-
General government - judicial	-	-	25,138	-
Public safety	1,521,254	2,912,981	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	385,428
Emergency communication services	-	-	-	-
Debt service	-	-	-	-
Conservation and development	-	-	-	-
Total Expenditures	1,521,254	2,912,981	25,138	385,428
(Deficiency)/Excess of Revenue Over/(Under) Expenditures	(683,892)	(1,725,719)	(2,074)	(385,428)
Other Financing Sources/(Uses)				
Operating transfers in	683,892	1,725,719	-	607,458
Operating transfers (out)	-	-	-	-
Total Other Financing Sources/ (Uses)	683,892	1,725,719	-	607,458
Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	-	-	(2,074)	222,030
Fund Balance - Beginning of Year	-	-	38,558	(400,058)
Fund Balance - End of Year	\$ -	\$ -	\$ 36,484	\$ (178,028)

COUNTY OF CAMBRIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Human Services Fund	Foster Grand- Parent Fund	Substance Abuse Fund	Capital Projects Fund
Revenues				
Intergovernmental revenues	\$ 401,357	\$ 398,477	\$ -	\$ -
Charges for services	-	-	-	-
Interest and investment income	162	69	969	18
Other income	-	191,658	265,482	-
Total Revenues	<u>401,519</u>	<u>590,204</u>	<u>266,451</u>	<u>18</u>
Expenditures				
General government - administrative	-	-	-	-
Human services	401,519	590,204	-	-
General government - judicial	-	-	266,975	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Emergency communication services	-	-	-	-
Debt service	-	-	-	-
Conservation and development	-	-	-	-
Total Expenditures	<u>401,519</u>	<u>590,204</u>	<u>266,975</u>	<u>-</u>
(Deficiency)/Excess of Revenue Over/(Under) Expenditures	<u>-</u>	<u>-</u>	<u>(524)</u>	<u>18</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>(524)</u>	<u>18</u>
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>533,387</u>	<u>8,834</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 532,863</u>	<u>\$ 8,852</u>

COUNTY OF CAMBRIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	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	4	2,887	389	25
Other income	15,764	517,095	113,608	14,330
Total Revenues	15,768	519,982	113,997	14,355
Expenditures				
General government - administrative	-	-	-	-
Human services	-	-	-	-
General government - judicial	-	327,502	-	6,369
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Emergency communication services	-	-	-	-
Debt service	-	-	-	-
Conservation and development	29,137	-	186,882	-
Total Expenditures	29,137	327,502	186,882	6,369
Excess of Revenue Over/(Under) Expenditures	(13,369)	192,480	(72,885)	7,986
Other Financing Sources/(Uses)				
Operating transfers in	5,000	-	-	-
Operating transfers (out)	-	(70,000)	-	-
Total Other Financing Sources/ (Uses)	5,000	(70,000)	-	-
(Deficiency)/Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(8,369)	122,480	(72,885)	7,986
Fund Balance - Beginning of Year	9,388	1,689,493	233,588	4,991
Fund Balance - End of Year	\$ 1,019	\$ 1,811,973	\$ 160,703	\$ 12,977

COUNTY OF CAMBRIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Dirt and Gravel Road Fund	Prothonotary Automation Fund	Clerk of Courts Automation Fund	Area Agency on Aging Fund
Revenues				
Intergovernmental revenues	\$ 17,149	\$ -	\$ -	\$ 5,354,430
Charges for services	-	-	-	429,038
Interest and investment income	237	24	109	5,418
Other income	-	12,010	8,004	23,063
Total Revenues	17,386	12,034	8,113	5,811,949
Expenditures				
General government - administrative	-	-	-	-
Human services	-	-	-	5,811,949
General government - judicial	-	5,221	500	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Emergency communication services	-	-	-	-
Debt service	-	-	-	-
Conservation and development	17,386	-	-	-
Total Expenditures	17,386	5,221	500	5,811,949
Excess of Revenue Over/(Under) Expenditures	-	6,813	7,613	-
Other Financing Sources/(Uses)				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Total Other Financing Sources/ (Uses)	-	-	-	-
Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	-	6,813	7,613	-
Fund Balance - Beginning of Year	-	8,621	37,310	-
Fund Balance - End of Year	\$ -	\$ 15,434	\$ 44,923	\$ -

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, 2013

	County Records Improvement Fund	HMER Fund	SHARP Fund	Booking Center Fund
Revenues				
Intergovernmental revenues	\$ -	\$ 34,269	\$ -	\$ -
Charges for services	85,735	20,050	-	-
Interest and investment income	183	142	41	-
Other income	-	300	11,558	6,026
	<u>85,918</u>	<u>54,761</u>	<u>11,599</u>	<u>6,026</u>
Total Revenues	85,918	54,761	11,599	6,026
Expenditures				
General government - administrative	16,588	-	-	-
Human services	-	-	-	-
General government - judicial	-	-	-	-
Public safety	-	52,700	5,838	209,037
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Emergency communication services	-	-	-	-
Debt service	-	-	-	-
Conservation and development	-	-	-	-
	<u>16,588</u>	<u>52,700</u>	<u>5,838</u>	<u>209,037</u>
Total Expenditures	16,588	52,700	5,838	209,037
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	<u>69,330</u>	<u>2,061</u>	<u>5,761</u>	<u>(203,011)</u>
Other Financing Sources/(Uses)				
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>69,330</u>	<u>2,061</u>	<u>5,761</u>	<u>(203,011)</u>
Fund Balance - Beginning of Year	<u>136,919</u>	<u>44,363</u>	<u>16,258</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 206,249</u>	<u>\$ 46,424</u>	<u>\$ 22,019</u>	<u>\$ (203,011)</u>

COUNTY OF CAMBRIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Protection From Abuse Fund	Veteran's Court Fund	Sheriff's Automation Fund	Total
Revenues				
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ 12,877,794
Charges for services	-	-	-	2,021,449
Interest and investment income	-	1	13	17,316
Other income	6,256	2,626	17,600	2,030,428
Total Revenues	6,256	2,627	17,613	16,946,987
Expenditures				
General government - administrative	-	-	-	16,588
Human services	-	-	-	8,331,341
General government - judicial	550	-	9,900	3,137,115
Public safety	-	-	-	4,701,810
Public works	-	-	-	624,485
Culture and recreation	-	-	-	385,428
Emergency communication services	-	-	-	3,042,375
Debt service	-	-	-	4,886,348
Conservation and development	-	-	-	1,782,346
Total Expenditures	550	-	9,900	26,907,836
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	5,706	2,627	7,713	(9,960,849)
Other Financing Sources/(Uses)				
Operating transfers in	-	-	-	12,075,199
Operating transfers (out)	-	-	-	(77,403)
Total Other Financing Sources/ (Uses)	-	-	-	11,997,796
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	5,706	2,627	7,713	2,036,947
Fund Balance - Beginning of Year	-	-	4,903	1,409,213
Fund Balance - End of Year	\$ 5,706	\$ 2,627	\$ 12,616	3,446,160

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COMPONENT UNIT COMBINING
AND
INDIVIDUAL FUND
FINANCIAL STATEMENTS

COUNTY OF CAMBRIA
COMBINING STATEMENT OF NET POSITION - COMPONENT UNITS
DECEMBER 31, 2013

	Planning Commission	Redevelopment Authority	Library Association	Municipal Airport Authority	Transit Authority	Economic Development Authority
ASSETS AND DEFERRED OUTFLOWS						
Current Assets						
Cash and cash equivalents	\$ 33,613	\$ 387,154	\$ 217,207	\$ 403,713	\$ 8,106,480	\$ 107,615
Investments	-	-	531,112	300,000	-	-
Restricted investments	-	-	562,654	-	-	-
Accounts receivable	40,916	-	28,277	42,674	113,292	-
Due from other governments	-	191,622	123,000	275,836	786,642	-
Inventory	-	-	-	-	468,227	-
Prepaid expenses and other assets	888	315,785	13,115	13,735	139,478	-
Total current assets	75,417	894,561	1,475,365	1,035,958	9,614,119	107,615
Non-current assets						
Fixed assets (net of accumulated depreciation)	1,867	1,393,835	792,426	13,554,618	17,283,940	-
Other assets	-	-	-	-	-	-
Total non-current assets	1,867	1,393,835	792,426	13,554,618	17,283,940	-
Total Assets and Deferred Outflows	\$ 77,284	\$ 2,288,396	\$ 2,267,791	\$ 14,590,576	\$ 26,898,059	\$ 107,615
LIABILITIES						
Current liabilities						
Accounts payable and accrued liabilities	\$ 3,111	\$ 506,947	\$ 71,299	\$ 169,914	\$ 1,186,832	\$ -
Due to other governments	-	102,478	-	-	-	-
Notes payable	-	-	-	236,329	-	-
Obligation under capital lease	-	-	-	-	-	-
Total current liabilities	3,111	609,425	71,299	406,243	1,186,832	-
Non-current liabilities						
Due to other governments	-	-	-	-	-	-
Notes payable	-	-	-	199,698	-	-
Obligation under capital lease	-	-	-	-	-	-
Total non-current liabilities	-	-	-	199,698	-	-
DEFERRED INFLOWS						
Unearned revenue	-	298,513	122,561	748,017	8,078,841	-
NET POSITION						
Investment in fixed assets, net of related debt	1,867	1,393,835	792,426	13,118,591	17,283,940	-
Restricted (Note 1m)	-	-	562,654	-	-	-
Unrestricted	72,306	(13,377)	718,851	118,027	348,446	107,615
Total Net Position	74,173	1,380,458	2,073,931	13,236,618	17,632,386	107,615
Total Liabilities, Deferred Inflows and Net Position	\$ 77,284	\$ 2,288,396	\$ 2,267,791	\$ 14,590,576	\$ 26,898,059	\$ 107,615

COUNTY OF CAMBRIA
COMBINING STATEMENT OF NET POSITION - COMPONENT UNITS
DECEMBER 31, 2013

	Solid Waste Management Authority	Conservation and Recreation Authority	Penn Highlands Community College	Behavioral Health of Cambria County	War Memorial Arena Authority	Totals
ASSETS AND DEFERRED OUTFLOWS						
Current Assets						
Cash and cash equivalents	\$ 21,557	\$ 205,206	\$ 3,956,987	\$ 2,543,473	\$ 33,702	\$ 16,016,707
Investments	-	-	-	-	-	831,112
Restricted investments	-	-	-	-	-	562,654
Accounts receivable	5,355	-	192,102	354	3,820	426,790
Due from other governments	186,428	57,900	100,690	6,758,630	-	8,480,748
Inventory	-	-	-	-	-	468,227
Prepaid expenses and other assets	9,156	-	154,373	566,495	-	1,213,025
Total current assets	222,496	263,106	4,404,152	9,868,952	37,522	27,999,263
Non-current assets						
Fixed assets (net of accumulated depreciation)	292,880	7,377,653	10,536,476	10,029	408,732	51,652,456
Other assets	-	-	46,816	-	-	46,816
Total non-current assets	292,880	7,377,653	10,583,292	10,029	408,732	51,699,272
Total Assets and Deferred Outflows	\$ 515,376	\$ 7,640,759	\$ 14,987,444	\$ 9,878,981	\$ 446,254	\$ 79,698,535
LIABILITIES						
Current liabilities						
Accounts payable and accrued liabilities	\$ 20,069	\$ 62,838	\$ 1,095,102	\$ 41,619	56,840	\$ 3,214,571
Due to other governments	-	-	40,720	5,053,224	-	5,196,422
Notes payable	-	-	941,572	-	9,169	1,187,070
Obligation under capital lease	-	-	164,921	-	-	164,921
Total current liabilities	20,069	62,838	2,242,315	5,094,843	66,009	9,762,984
Non-current liabilities						
Due to other governments	-	-	20,298	-	-	20,298
Notes payable	-	-	1,274,621	-	13,243	1,487,562
Obligation under capital lease	-	-	330,488	-	-	330,488
Total non-current liabilities	-	-	1,625,407	-	13,243	1,838,348
DEFERRED INFLOWS						
Unearned revenue	-	71,617	233,925	3,366,389	-	12,919,863
NET POSITION						
Investment in fixed assets, net of related debt	292,880	7,377,653	7,921,530	10,029	386,320	48,579,071
Restricted (Note 1m)	-	-	1,303,344	109,507	-	1,975,505
Unrestricted	202,427	128,651	1,660,923	1,298,213	(19,318)	4,622,764
Total Net Position	495,307	7,506,304	10,885,797	1,417,749	367,002	55,177,340
Total Liabilities, Deferred Inflows and Net Position	\$ 515,376	\$ 7,640,759	\$ 14,987,444	\$ 9,878,981	\$ 446,254	\$ 79,698,535

COUNTY OF CAMBRIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN NET POSITION - GOVERNMENTAL TYPE COMPONENT UNITS
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Redevelopment Authority	Library Association	Conservation and Recreation Authority	Total
Revenues:				
Intergovernmental revenues	\$ 1,701,840	\$ 907,505	\$ 364,611	\$ 2,973,956
County appropriations	63,000	615,000	130,000	808,000
Charges for services	123,399	46,300	-	169,699
Interest and investment income	-	36,317	25	36,342
Endowment fund contributions	-	258,463	-	258,463
Realized gain/(loss) on investments	-	(60)	-	(60)
Unrealized gain/(loss) on investments	-	(40,725)	-	(40,725)
Gain/(loss) on sale of assets	-	8,786	-	8,786
Other	2,845	70,457	23,624	96,926
Total Revenues	1,891,084	1,902,043	518,260	4,311,387
Expenditures:				
Conservation and development	1,839,525	-	549,410	2,388,935
Culture and recreation	-	1,726,115	-	1,726,115
Total Expenditures	1,839,525	1,726,115	549,410	4,115,050
Change in Net Position	51,559	175,928	(31,150)	196,337
Net Position - Beginning of Year	1,328,899	1,898,003	7,537,454	10,764,356
Net Position - End of Year	\$ 1,380,458	\$ 2,073,931	\$ 7,506,304	\$ 10,960,693

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, 2013

	Planning Commission	Municipal Airport Authority	Transit Authority	Economic Development Authority	Solid Waste Management Authority
Operating Revenues:					
Charges for services	\$ 192,872	\$ 379,649	\$ 1,036,616	\$ -	\$ 3,771
Intergovernmental revenues	-	-	503,781	-	63,751
Other	4,519	142,293	306,768	-	19,733
Total Operating Revenues	197,391	521,942	1,847,165	-	87,255
Operating Expenses:					
Public works	237,190	575,580	9,303,780	-	471,313
Human Services	-	-	-	-	-
Education and general	-	-	-	-	-
Conservation and development	-	-	-	17,537	-
Depreciation	657	1,131,175	1,702,545	-	31,600
Total Operating Expenses	237,847	1,706,755	11,006,325	17,537	502,913
Operating Income/(Loss)	(40,456)	(1,184,813)	(9,159,160)	(17,537)	(415,658)
Non-Operating Revenues/(Expenses):					
Investment income	17	961	21,126	152	50
Gain/(loss) on sale of assets	-	-	(14,373)	-	-
Federal appropriations	-	-	1,357,736	-	-
State appropriations	-	-	5,445,094	-	-
Financial Aid Revenue	-	-	-	-	-
Financial Aid (Expenses)	-	-	-	-	-
County appropriations	46,200	174,000	632,660	125,000	342,000
Other non-operating revenue/(expense)	-	25,108	-	-	-
Interest expense	-	(11,804)	-	-	-
Total Non-Operating Revenues/ (Expenses)	46,217	188,265	7,442,243	125,152	342,050
Change in Net Position Before Capital Contributions	5,761	(996,548)	(1,716,917)	107,615	(73,608)
Capital Contributions	-	548,882	2,010,685	-	-
Total Change in Net Position	5,761	(447,666)	293,768	107,615	(73,608)
Net Position Beginning of Year	68,412	13,661,694	17,338,618	-	568,915
Prior Period Adjustment	-	22,590	-	-	-
Net Position Beginning of Year, as restated	68,412	13,684,284	17,338,618	-	568,915
Net Position - End of Year	\$ 74,173	\$ 13,236,618	\$ 17,632,386	\$ 107,615	\$ 495,307

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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, 2013

	Penn Highlands Community College	Behavioral Health of Cambria County	War Memorial Arena Authority	Total
Operating Revenues:				
Charges for services	\$ 6,977,885	\$ 12,155	\$ -	\$ 8,602,948
Intergovernmental revenues	777,926	29,951,375	-	31,296,833
Other	99,976	846,323	-	1,419,612
Total Operating Revenues	7,855,787	30,809,853	-	41,319,393
Operating Expenses:				
Public works	-	-	-	10,587,863
Human Services	-	30,531,813	-	30,531,813
Education and general	11,129,855	-	218,210	11,348,065
Conservation and development	-	-	-	17,537
Depreciation	934,600	-	-	3,800,577
Total Operating Expenses	12,064,455	30,531,813	218,210	56,285,855
Operating Income/(Loss)	(4,208,668)	278,040	(218,210)	(14,966,462)
Non-Operating Revenues/(Expenses):				
Investment income	-	16,065	-	38,371
Gain/(loss) on sale of assets	-	-	-	(14,373)
Federal appropriations	-	-	-	1,357,736
State appropriations	3,550,852	-	-	8,995,946
Financial Aid Revenue	6,990,271	-	-	6,990,271
Financial Aid (Expenses)	(6,989,126)	-	-	(6,989,126)
County appropriations	1,173,000	-	169,500	2,662,360
Other non-operating revenue/(expense)	130,013	-	136	155,257
Interest expense	(121,498)	-	-	(133,302)
Total Non-Operating Revenues/ (Expenses)	4,733,512	16,065	169,636	13,063,140
Change in Net Position Before Capital Contributions	524,844	294,105	(48,574)	(1,903,322)
Capital Contributions	49,727	-	-	2,609,294
Total Change in Net Position	574,571	294,105	(48,574)	705,972
Net Position Beginning of Year	10,311,226	1,123,644	415,576	43,488,085
Prior Period Adjustment	-	-	-	22,590
Net Position Beginning of Year, as restated	10,311,226	1,123,644	415,576	43,510,675
Net Position - End of Year	\$ 10,885,797	\$ 1,417,749	\$ 367,002	\$ 44,216,647

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