



**COUNTY OF CAMBRIA**  
**PENNSYLVANIA**

Basic Financial Statements

December 31, 2016

# 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, 2016. It is best understood if read in conjunction with accompanying basic financial statements, notes to the financial statements, and supplementary information.

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

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

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

## FINANCIAL HIGHLIGHTS

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

- The General Fund reported an ending fund balance of (\$2.28) million, which was an increase of \$6.29 million from 2015.
- The General Fund unassigned fund balance was (\$2.28) million, an increase of \$6.30 million from the 2015 unassigned fund balance.
- Government-wide net position (assets plus deferred outflows less liabilities and deferred inflows) at the end of the year was (\$18.46) million, an increase of \$2.71 million from 2015.
- The balance of outstanding bonds and notes payable was \$47.91 million, a decrease of \$8.54 million from 2015. The outstanding balance of obligations under capital leases was \$360,285, a decrease of \$41,234 from 2015. Therefore, outstanding long-term obligations decreased by \$8.58 million from 2015.
- For calendar year 2016, the County's real property tax rate increased to 34.5 mills.

## OVERVIEW OF THE FINANCIAL REPORT

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

### Government-wide Financial Statements

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

Governmental and business-type activities are reported in separate columns which add to a total for the Primary Government. The government-wide financial statements also include segregated information for entities known as Component Units. Component Units are legally separate units which are substantially funded or influenced by the county. Cambria County has eleven (11) component units – Planning Commission, Redevelopment Authority, Library Association, Municipal Airport Authority, Transit Authority, Economic Development Authority, Solid Waste Management Authority, Conservation and Recreation Authority, Pennsylvania

Highlands Community College, Behavioral Health of Cambria County, and War Memorial Arena Authority.

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

The Statement of Activities shows the extent to which program revenues offset the expenses of governmental and business-type activities. This is intended to summarize and simplify users' analysis of the cost of various governmental services and/or subsidy to business-type activities. The statement also reports the change in net position as a result of the fiscal year's revenue and expenses. The governmental activities included in the statement reflect Cambria County's basic services, including general government, judicial government, public safety, corrections, public works, human services, culture and recreation, conservation and development, emergency communication services, employee benefits, and debt service. Taxes, charges for services, and intergovernmental revenues primarily finance these services. The primary government has one business-type activities fund – Central Park Complex. The Central Park Complex generates rental income from the agencies and tenants that occupy the building to help offset the operating costs.

## **Fund Financial Statements**

Traditional users of governmental financial statements will find the fund financial statements more familiar. A fund is a separate fiscal and accounting entity that is used to segregate sources and uses of funding for specific purposes. Cambria County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the County are divided into three (3) 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-eight (38) individual governmental funds. Of these funds, five (5) 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 Health Choices Fund, the Children and Youth Fund, the Behavioral Health/Intellectual Disabilities & Early Intervention Fund, and the Debt Service Fund. The non-major funds reported in the financial statements are – 9-1-1 Emergency Communications, Domestic Relations Office, Juvenile Probation,

Detention/Emergency Shelter, Booking Center, Dirt and Gravel Road, Farmland Preservation, Hazardous Materials Emergency Response Account (HMER), Special Hazardous Assistance Response Team (SHARP), Emergency Management Agency, Driving Under the Influence, Substance Abuse, Jail/Detention, Protection from Abuse, Veteran's Court Administration, Mental Health Court, County Records Improvement, Clerk of Courts Automation, Prothonotary Automation, Register of Wills Automation, Sheriff's Automation, Coroner Vital Statistics, Liquid Fuels Tax, Hotel Tax, Parks & Playgrounds, Act 13, Affordable Housing, Redevelopment Authority, Area Agency on Aging, Foster Grandparents, Drug and Alcohol, Human Services, and Capital Projects.

### **Proprietary Funds:**

Proprietary funds are financed and operated in a manner similar to private business enterprises in which costs are recovered primarily through user charges. Cambria County maintained two (2) 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 one (1) enterprise fund – Central Park Complex. 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 – 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, 2016 and 2015.

Cambria County Primary Government Summary of Net Position December 31, 2016 and 2015							
		Governmental Activities		Business-type Activities		Total	
		2016	2015	2016	2015	2016	2015
<b>Assets:</b>							
	Current Assets	\$ 30,464,317	\$ 35,491,603	\$ 360,837	\$ 295,424	\$ 30,825,154	\$ 35,787,027
	Non-current Assets	<u>50,619,624</u>	<u>51,355,934</u>	<u>3,096,538</u>	<u>3,085,749</u>	<u>53,716,162</u>	<u>54,441,683</u>
	<b>Total Assets</b>	<u>81,083,941</u>	<u>86,847,537</u>	<u>3,457,375</u>	<u>3,381,173</u>	<u>84,541,316</u>	<u>90,228,710</u>
<b>Deferred Outflows:</b>							
	Deferred Loss on Advance Refunding	610,227	558,395	---	---	610,227	558,395
	Prepaid Expenses	179,101	202,660	---	---	179,101	202,660
	Deferred Pension Outflows	14,138,739	19,596,461	---	---	14,138,739	19,596,461
	Bond Issue Discount	<u>243,160</u>	<u>---</u>	<u>30,725</u>	<u>---</u>	<u>273,885</u>	<u>---</u>
	<b>Total Deferred Outflows</b>	<u>15,171,227</u>	<u>20,357,516</u>	<u>30,725</u>	<u>---</u>	<u>15,201,952</u>	<u>20,357,516</u>
	<b>Total Assets and Deferred Outflows</b>	<u>\$ 96,255,168</u>	<u>\$ 107,205,053</u>	<u>\$ 3,488,100</u>	<u>\$ 3,381,173</u>	<u>\$ 99,743,268</u>	<u>\$ 110,586,226</u>
<b>Liabilities:</b>							
	Current Liabilities	\$ 25,768,813	\$ 41,667,357	\$ 303,612	\$ 382,101	\$ 26,072,425	\$ 42,049,458
	Non-current Liabilities	<u>82,555,879</u>	<u>79,976,064</u>	<u>3,043,514</u>	<u>2,732,231</u>	<u>85,599,393</u>	<u>82,705,295</u>
	<b>Total Liabilities</b>	<u>108,324,692</u>	<u>121,643,421</u>	<u>3,347,126</u>	<u>3,114,332</u>	<u>111,671,818</u>	<u>124,757,753</u>
<b>Deferred Inflows:</b>							
	Unearned Revenues	2,826,895	3,048,075	462	---	2,827,357	3,048,075
	Bond Issue Premium	1,940,433	3,685,020	140,512	266,841	2,080,945	3,951,861
	Deferred Pension Inflows	<u>1,623,550</u>	<u>8,348</u>	<u>---</u>	<u>---</u>	<u>1,623,550</u>	<u>8,348</u>
	<b>Total Deferred Inflows</b>	<u>6,390,878</u>	<u>6,741,443</u>	<u>140,974</u>	<u>266,841</u>	<u>6,531,852</u>	<u>7,008,284</u>
<b>Net Position:</b>							
	Investment in Capital Assets, Net Of Related Debt	1,855,547	3,365,377	( 299,712)	( 253,252)	1,555,835	3,112,125
	Unrestricted	( 22,406,186)	(25,704,399)	299,712	253,252	( 22,106,474)	(25,451,147)
	Restricted	<u>2,090,237</u>	<u>1,159,211</u>	<u>---</u>	<u>---</u>	<u>2,090,237</u>	<u>1,159,211</u>
	<b>Total Net Position</b>	<u>( 18,460,402)</u>	<u>(21,179,811)</u>	<u>---</u>	<u>---</u>	<u>( 18,460,402)</u>	<u>(21,179,811)</u>
	<b>Total Liabilities, Deferred Inflows, and Net Position</b>	<u>\$ 96,255,168</u>	<u>\$ 107,205,053</u>	<u>\$ 3,488,100</u>	<u>\$ 3,381,173</u>	<u>\$ 99,743,268</u>	<u>\$ 110,586,226</u>



**Total net position:** Net position of the County's governmental activities was (\$18.46) million, an increase of \$2.71 million from 2015. Of this amount, \$1.86 million represents investment in capital assets, net of related debt. The unrestricted net position balance as of the end of the year was (\$22.41) million which represents an increase of \$3.29 million from 2015. The County's deferred outflows exceeded deferred inflows in 2016 by \$8.71 million, to be recognized in future years. The 2016 restricted net position balance represents \$1,285,357 restricted by the PA Department of Transportation under PA Title 75, Chapter 90, and \$804,880 restricted by the PA Department of Transportation under PA Act 13 of 2012. The 2015 restricted net position balance represents \$868 for taxes paid under protest and \$1,158,343 restricted by the PA Department of Transportation under PA Title 75, Chapter 90.

Net position of the County's business-type activities was \$0, which was no change from 2015. Of the total net position, (\$361,162) represents investment in capital assets, net of related debt. The unrestricted net position balance at year-end was \$361,162, which represents an increase of \$107,910 from 2015.

### Government-wide Statement of Activities

The table below summarizes the changes of net position for the primary government for the period ended December 31, 2016 and 2015:

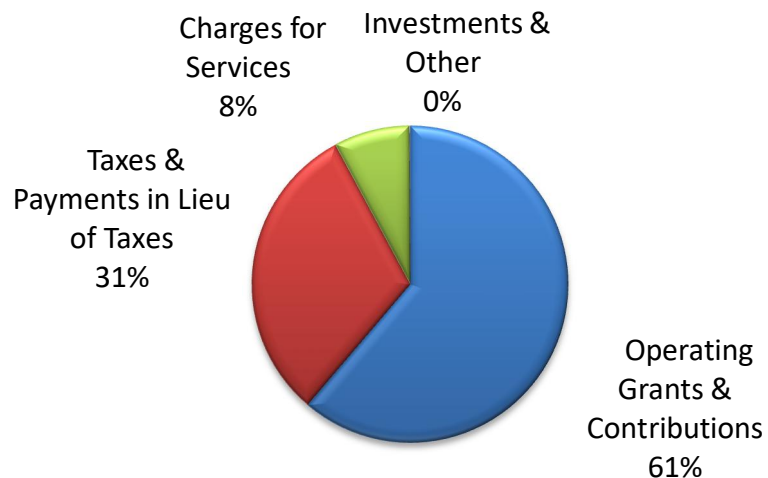
**Cambria County Primary Government  
Summary of Changes in Net Position  
For the Years Ended December 31, 2016 and 2015**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	\$10,808,455	\$10,795,203	\$ 728,576	\$ 703,908	\$11,537,031	\$11,499,111
Operating Grants & Contributions	85,290,296	75,229,685	---	---	85,290,296	75,229,685
Capital Grants & Contributions	30,095	64,660	---	---	30,095	64,660
General Revenues:						
Taxes & Payments in Lieu of Taxes	43,186,619	37,836,809	---	---	43,186,619	37,836,809
(Loss)/Gain from Sale of Assets	( 35,612)	1,579	---	---	( 35,612)	1,579
Unrestricted Investment Earnings	54,577	23,801	107	15	54,577	23,816
Other Revenues	79,847	107,867	80,000	---	159,847	107,867
<b>Total Revenues</b>	<b>139,414,277</b>	<b>124,059,604</b>	<b>808,683</b>	<b>703,923</b>	<b>140,222,960</b>	<b>124,763,527</b>
<b>Expenses:</b>						
General Government-Administrative	5,147,145	4,618,530	---	---	5,147,145	4,618,530
General Government-Judicial	11,520,984	12,274,480	---	---	11,520,984	12,274,480
Public Safety	6,752,476	6,125,128	---	---	6,752,476	6,125,128
Corrections	17,456,532	17,339,424	---	---	17,456,532	17,339,424
Public Works	726,509	603,231	---	---	726,509	603,231
Human Services	72,512,846	65,998,778	---	---	72,512,846	65,998,778
Culture and Recreation	188,671	477,325	---	---	188,671	477,325
Conservation and Development	2,149,081	2,146,686	---	---	2,149,081	2,146,686
Emergency Communications Services	2,824,217	2,915,784	---	---	2,824,217	2,915,784
Employee Benefits	9,045,092	7,485,228	---	---	9,045,092	7,485,228
Debt Service	2,038,293	1,376,812	---	---	2,038,293	1,376,812
Unallocated Depreciation	3,472,028	3,505,145	---	---	3,472,028	3,505,145
Central Park Complex	---	---	918,016	859,218	918,016	859,218

<b>Total Expenses</b>	133,833,874	124,866,551	918,016	859,218	134,751,890	125,725,769
<b>Changes in Net Position before</b>						
<b>Transfers and Capital Contributions</b>	5,580,403	( 806,947)	(109,333)	(155,295)	5,471,070	( 962,242)
Transfers in/(out) Primary Government	(109,333)	( 155,295)	109,333	155,295	---	---
Transfers in/(out) Component Units	(3,456,358)	(3,655,588)	---	---	(3,456,358)	(3,655,588)
Change in Net Position	2,014,712	(4,617,830)	---	---	2,014,712	(4,617,830)
Net Position – Beginning of Year	(21,179,811)	889,761	---	---	(21,179,811)	889,761
Prior Period Adjustment	704,697	(17,451,742)	---	---	704,697	(17,451,742)
Net Position – Beginning of Year, as restated	(20,475,114)	(15,561,981)	---	---	(20,475,114)	(16,561,981)
Net Position – End of Year	<u><u>\$(18,460,402)</u></u>	<u><u>\$(21,179,811)</u></u>	<u><u>\$ ---</u></u>	<u><u>\$ ---</u></u>	<u><u>\$(18,460,402)</u></u>	<u><u>\$(21,179,811)</u></u>

**Governmental activities revenues:** Revenues for Cambria County's governmental activities were \$139.4 million for the year ended December 31, 2016, an increase of 11.7% from 2015. The following pie chart reflects the sources of those revenues by percent:

### Revenues by Source - Governmental Activities For the Year Ended December 31, 2016



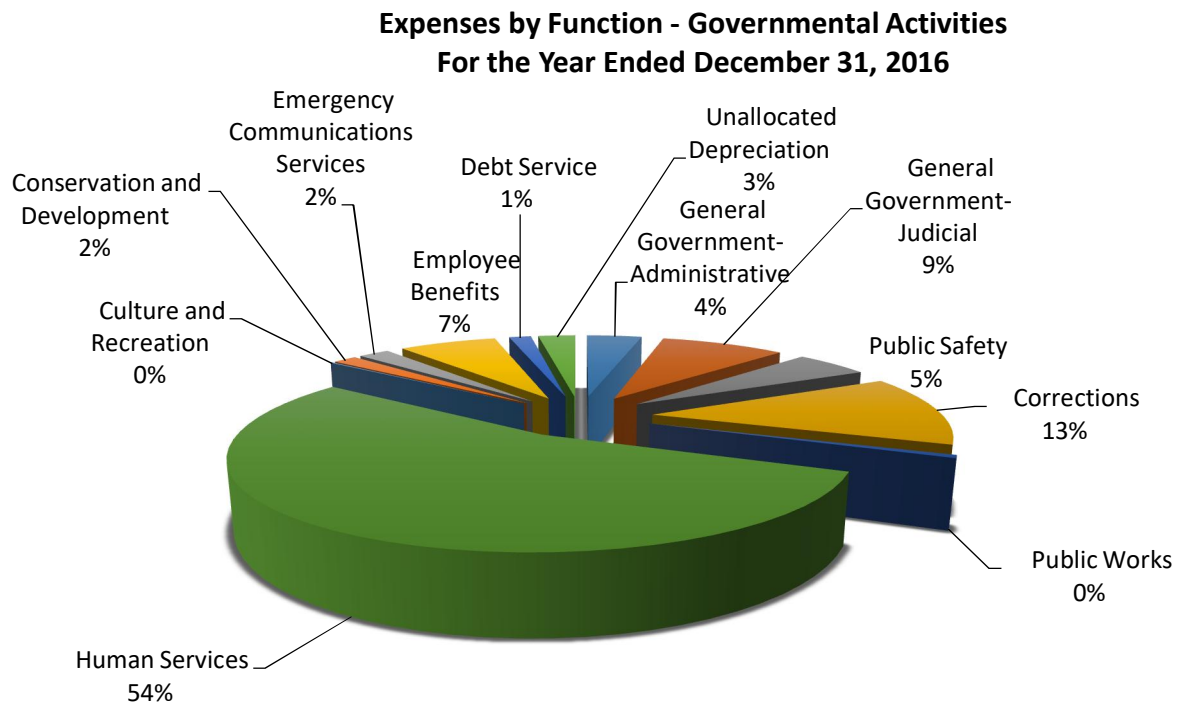
The largest source of governmental activities revenue is operating grants and contributions amounting to \$85.3 million or 61.2%. The Human Services agencies, including Behavioral Health/Intellectual Disabilities & Early Intervention, Children & Youth Services, Drug and Alcohol, Area Agency on Aging, Foster Grandparents, Human Services, and Health Choices receive the largest portion of operating grants and contributions at \$65.9 million or 77.3% 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 \$43.2 million or 31.0%. For 2016, the real estate tax rate increased to 34.5 mills. Of this amount, 27.5 mills was designated for general purposes, 5 mills for debt service, 1 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 \$42.5 million in governmental activities revenue in 2016. In addition, the County levies a 5% hotel lodging tax. Proceeds from the hotel tax are used to assist in tourist promotional activities of the Cambria County Visitors and Convention Bureau. For the year ending 2016, the hotel tax receipts amounted to \$582,168. Cambria County also receives payments in lieu of taxes from various sources. The County received \$116,682 in payments in lieu of taxes in 2016.

Charges for services amounted to \$10.8 million or 7.7% of governmental activities funding sources. Charges for services include fees, fines, licenses, permits, 9-1-1 line charges, and housing revenues at the prison and the detention/shelter facility.

Investment earnings, gain from the sale of assets, capital grants and contributions, and other revenues amounted to \$128,907 or 0.1% of governmental activities revenue.

**Governmental activities expenses:** Expenses for Cambria County's governmental activities were \$133.8 million for the year ended December 31, 2016. 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 \$72.5 million or 54.2% for 2016.

The general government-judicial is composed of the Court of Common Pleas, Magistrates, Constables, Driving Under the Influence Fund, Law Library, Domestic Relations, Coroner Vital Statistics, Substance Abuse, Protection from Abuse, and Veteran's Court. Also included are the row offices that provide services to the courts, which include the District Attorney, Public Defender, Clerk of Courts, Prothonotary, Register of Wills, and Sheriff. Expenses for general government-judicial were \$11.5 million or 8.6% in 2016.

Public Safety includes Emergency Management, HMER, SHARP, and Sheriff's Automation. Expenses in 2016 were 5.1% or \$6.8 million.

Corrections expenses reflect costs associated with the Prison, including Adult Probation, Juvenile Court, Booking Center and Detention/Shelter. These expenses were \$17.5 million or 13.0%.

Employee Benefits were \$9.1 million or 6.8% 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 \$5.1 million or 3.9%.

Debt Service on the County's Lease Rental Indebtedness, Bonds and Notes was \$2.0 million or 1.5% of governmental activities expenses.

The remaining expenses of \$9.3 million or 6.9% 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, Health Choices Fund, Children and Youth Fund, Behavioral Health/Intellectual Disabilities & Early Intervention, and Debt Service 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, 2016, the General Fund reported a fund balance of (\$2.28) million, which was an increase of \$6.30 million from the prior year's fund balance of (\$8.58) million. For 2016, revenues and other financing sources exceeded expenditures and other financing uses by \$5.60 million.

The Health Choices Fund maintains a zero fund balance. Revenues in the Health Choices Fund increased \$4,789,021 or 13.4% to \$9.39 million in 2016.

The Children and Youth Fund also maintains a zero fund balance. The revenue for the Children and Youth Fund increased \$2.02 million or 27.4% to \$9.39 million in 2016.

The Behavioral Health/Intellectual Disabilities & Early Intervention special revenue fund maintains no fund balance. Revenues in the fund increased to \$9.48 million from \$9.42 million in 2016, an increase of \$59,733 or .63%.

The Debt Service Fund reported a fund balance of \$2.56 million, which was an increase of \$2.56 million from the prior year. For 2016, revenues and other financing sources exceeded expenditures and other financing uses by \$2.56 million.

**Proprietary Funds:** In 2016, Cambria County maintained one enterprise fund, the Central Park Complex Fund. The fund financial statements for the business-type activity enterprise fund contain the same information as the government-wide statements, but in greater detail.

The net position of the Central Park Complex (CPC) fund was \$0 on December 31, 2016. The net position reflects that \$361,162 was unrestricted and (\$361,162) was invested in capital assets, net of related debt, netting to a zero balance in the fund.

### **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 \$60.2 million in 2016 and \$61.9 million in 2015. The final budgeted general fund revenue was \$61.6 million in 2016 and \$62.3 million in 2015. The actual revenue received during 2016 was \$61.6 million. The following are negative variances in final budgeted revenue to actual revenue during 2016: actual real estate tax revenue was \$175,685 or 0.41% less than budgeted. Actual intergovernmental revenue was \$77,883 or 0.76% less than budgeted and other revenue was less than the budgeted amount by \$83,311 or 13.8%.

The original budgeted general fund expenditure amounts were \$47.1 million in 2016 and \$48.5 million in 2015. The final budgeted general fund expenditure amounts were \$48.6 million in 2016 and \$48.9 million in 2015. The actual expenditures were \$45.8 million for 2016. Positive variances were in general government – administrative for \$1.4 million or 17.0%, general government – judicial for \$739,193 or 8.2%, corrections for \$566,720 or 4.2%, culture and recreation for \$292,270 or 31.8%, and conservation and development for \$350,783 or 21.2%. Negative variances were in public safety for \$450,559 or 7.4%, human services for \$73,082 for 1.5%, employee benefits for \$42,215 or 1.4% and debt service for \$59,152 or 57.1%.

The original budgeted operating transfers in were \$219,150 in 2016 and \$1.1 million in 2015. The final budgeted operating transfers in were \$219,150 in 2016 and \$1.1 million in 2015. For 2016, the actual operating transfers in were \$69,265 under budget. The original budgeted operating transfers out were \$13.4 million in 2016 and \$14.3 million in 2015. The final budgeted operating transfers out were \$13.3 million in 2016 and \$14.4 million in 2015. The actual operating transfers out were \$3.0 million or 22.4% under budget in 2016.

Overall, the general fund had an excess of revenues and other financing sources over/(under) expenditures and other financing uses of \$5.6 million for the year ending December 31, 2016.

## Capital Assets and Debt Administration

### Capital Assets:

The County's investment in capital assets at December 31, 2016, net of accumulated depreciation, amounted to \$51.9 million. This was a decrease of \$630,308 or 1.2% 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, 2016
Construction-in-progress	\$ 882,941	\$ 231,312	\$ 1,114,253
Land	---	290,116	290,116
Site/land improvements	6,913,177	---	6,913,177
Infrastructure	14,725,074	---	14,725,074
Building and permanent fixtures	50,451,106	6,383,472	56,834,578
Office furniture and equipment	2,532,717	6,500	2,539,217
General equipment	4,901,115	---	4,901,115
Machinery and equipment	---	36,499	36,499
Radio equipment	13,220,541	---	13,220,541
Computer hardware and software	6,537,810	---	6,537,810
Vehicles	5,435,651	---	5,435,651
Less accumulated depreciation	( 56,835,106)	( 3,851,361)	( 60,686,467)
Total	\$ 48,765,026	\$ 3,096,538	\$ 51,861,564

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

### **Long-term Debt:**

The Commonwealth of Pennsylvania Local Government Unit Debt Act governs the amount of indebtedness the County can incur. Under this act, the County can legally incur nonelectoral debt equal to three hundred percent (300%) of its borrowing base. The borrowing base is calculated as one third of total revenues for the past three (3) years minus certain statutory deductions.

As of December 31, 2016, Cambria County had outstanding debt and capital lease obligations of \$48.3 million. During 2016, the County's bonds, notes and capital leases decreased by \$8.5 million or 15.0%.

Additional detailed information on the County's long-term debt can be found in Note 10 and the capital leases in Note 12 of the Notes to the Financial Statements.

### **Economic Factors and the 2017 Budget:**

The key economic factors affecting the County include the following:

The County's unemployment rate, as of April 2017, was 6.2%. This was a decrease from the April 2016 rate of 7.1%. The statewide unemployment rate was 4.9% for April 2017.

The July 1, 2015 population estimate for Cambria County was 136,411. This was a 5.1% decrease from the 2010 census of 143,679.

The total 2017 budget is \$176,748,125, and the General Fund budget is \$59,989,310 for 2017. This is an increase of \$10,952,384 or 6.6% in the total budget. The overall increase is primarily due to a \$9.0 million increase in the Health Choices budget to properly reflect the amount of pass-through funds received from the state. The General Fund budget decreased \$1,229,405 or 2.0% from 2016.

The total real estate millage for 2017 decreased 0.5 mill to 34.0 mills. Of that, 27.5 mills are dedicated to general purposes, 4.5 mills are for debt service, 1.0 mill is for the Pennsylvania Highlands Community College, 0.5 mill for the Cambria County Library, and 0.5 mill for parks and playgrounds.

Effective June 1, 2016, the County increased the Hotel Tax from 3% to 5%. This tax is used exclusively for tourist promotion activities by the Greater Johnstown/Cambria County Convention and Visitors Bureau. Also, effective July 1, 2016, the County approved a \$5.00 Vehicle Registration Fee. The revenue generated by the fee must be used for the construction, reconstruction, maintenance, and repair of and safety on public highways and bridges and costs and expenses incident thereto.

On July 1, 2016, the County ceased operating the Cambria County Detention/Emergency Shelter Facility. For 2016, the General Fund allocation to the Detention/Emergency Shelter Fund was \$610,433. The decision to close the facility was due to the decreasing census at the facility and the increasing cost to the General Fund. In March 2017, Cambria County entered into a five year lease with an additional five year option with Adelphoi Village for the facility. Adelphoi Village intends to invest \$800,000 to renovate the facility to operate a 29 bed secure treatment program.

On June 15, 2016, S&P Global Ratings revised its outlook on Cambria County's general obligation (GO) bonds to negative from stable. While affirming the County's 'BBB' rating, they cited "fiscal imbalances over the past two fiscal years, which have reduced the county's general fund reserve to negative \$8.6 million" for the negative outlook.

### **Requests for Information**

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



## **INDEPENDENT AUDITOR'S REPORT**

June 15, 2017

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, 2016, 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, Cambria County Solid Waste Management Authority, and Cambria County War Memorial Arena 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, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of employer contributions, changes in net pension liability and related ratios, County contributions, investment returns, and budgetary comparison information on pages III-XV and 71-78 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Cambria's basic financial statements. The combining and individual nonmajor fund financial statements and the combining and individual component unit financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have issued our separate report dated June 15, 2017, on our consideration of the County of Cambria's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Cambria's internal control over financial reporting and compliance.

A handwritten signature in dark ink that reads "Wessel & Company". The script is cursive and fluid, with a long horizontal flourish extending from the end of the word "Company".

WESSEL & COMPANY  
Certified Public Accountants

COUNTY OF CAMBRIA  
GOVERNMENT-WIDE STATEMENT OF NET POSITION  
DECEMBER 31, 2016

	Primary Government			Component
	Governmental Activities	Business-type Activities	Total	Units
<b>ASSETS:</b>				
<u>Current Assets:</u>				
Cash and cash equivalents (Note 2)	\$ 7,743,499	\$ 2,050	\$ 7,745,549	\$ 18,741,941
Investments (Note 2)	-	-	-	1,296,958
Cash Held for Clients as Representative Payee and Guardianship Program (Note 18)	329,349	-	329,349	-
Receivables (net of allowance for uncollectibles)				
Accounts	5,887,308	15,866	5,903,174	575,114
Taxes (Note 3)	4,711,900	-	4,711,900	-
Due from other governments (Note 4)	12,135,182	-	12,135,182	7,338,404
Other assets	-	-	-	3,825
Internal balances (Note 1k)	(342,921)	342,921	-	-
Inventory	-	-	-	490,165
Total Current Assets	30,464,317	360,837	30,825,154	28,446,407
<u>Non-Current Assets:</u>				
Other assets	-	-	-	943,061
Note receivable (Note 17)	1,777,304	-	1,777,304	-
OPEB asset (Note 7 and 10)	77,294	-	77,294	-
Fixed assets, net of accumulated depreciation (Note 5)	48,765,026	3,096,538	51,861,564	66,085,459
Total Non-Current Assets	50,619,624	3,096,538	53,716,162	67,028,520
<u>DEFERRED OUTFLOWS:</u>				
Deferred loss on advance refunding (Note 1r)	610,227	-	610,227	-
Prepaid expenses	179,101	-	179,101	956,080
Deferred pension outflows (Note 6)	14,138,739	-	14,138,739	597,213
Bond issue discount (Note 1r)	243,160	30,725	273,885	-
Total Deferred Outflows	15,171,227	30,725	15,201,952	1,553,293
Total Assets and Deferred Outflows	\$ 96,255,168	\$ 3,488,100	\$ 99,743,268	\$ 97,028,220
<u>LIABILITIES:</u>				
<u>Current Liabilities:</u>				
Accounts payable and accrued liabilities	\$ 19,119,185	\$ 49,562	\$ 19,168,747	\$ 3,056,536
Reserved Cash Held for Clients as Representative Payee and Guardianship Program (Note 18)	329,349	-	329,349	-
Due to other governments (Note 4)	850,463	-	850,463	5,879,904
Compensated absences (Note 10 and 14)	1,701,185	8,480	1,709,665	-
Bonds and notes payable (Note 10)	2,625,359	188,726	2,814,085	525,391
Obligations under capital leases (Note 12)	42,397	-	42,397	146,584
Accrued interest	783,454	56,844	840,298	-
Other liabilities	317,421	-	317,421	-
Total Current Liabilities	25,768,813	303,612	26,072,425	9,608,415
<u>Non-Current Liabilities:</u>				
Compensated absences (Note 10 and 14)	393,321	2,621	395,942	-
Bonds and notes payable (Note 10)	42,053,335	3,040,893	45,094,228	1,333,839
Estimated workers' compensation claim (Note 8 and 10)	393,325	-	393,325	-
Net pension liability (Note 6)	39,398,010	-	39,398,010	-
Obligations under capital leases (Note 12)	317,888	-	317,888	108,148
Other liabilities	-	-	-	573,054
Total Non-Current Liabilities	82,555,879	3,043,514	85,599,393	2,015,041
<u>DEFERRED INFLOWS:</u>				
Unearned revenues (Note 1f)	2,826,895	462	2,827,357	10,827,426
Bond issue premium, net (Note 1r)	1,940,433	140,512	2,080,945	-
Deferred pension inflows (Note 6)	1,623,550	-	1,623,550	1,476,440
Total Deferred Inflows	6,390,878	140,974	6,531,852	12,303,866
<u>NET POSITION:</u>				
Investment in capital assets, net of related debt	1,855,547	(299,712)	1,555,835	64,127,330
Unrestricted	(22,406,186)	299,712	(22,106,474)	4,094,039
Restricted (Note 1m)	2,090,237	-	2,090,237	4,879,529
Total Net Position	(18,460,402)	-	(18,460,402)	73,100,898
Total Liabilities, Deferred Inflows and Net Position	\$ 96,255,168	\$ 3,488,100	\$ 99,743,268	\$ 97,028,220

COUNTY OF CAMBRIA  
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2016

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	Total
<b>Primary Government:</b>							
Governmental Activities:							
General government - administrative	\$ 5,147,145	\$ 2,122,916	\$ 523,924	\$ -	\$ (2,500,305)	\$ -	\$ (2,500,305)
General government - judicial	11,520,984	2,226,826	2,794,852	-	(6,499,306)	-	(6,499,306)
Public safety	6,752,476	762,779	4,064,139	-	(1,925,558)	-	(1,925,558)
Corrections	17,456,532	3,627,577	2,359,609	-	(11,469,346)	-	(11,469,346)
Public works	726,509	-	1,848,513	-	1,122,004	-	1,122,004
Human services	72,512,846	1,716,936	69,730,008	-	(1,065,902)	-	(1,065,902)
Culture and recreation	188,671	27,647	-	-	(161,024)	-	(161,024)
Conservation and development	2,149,081	323,774	1,186,076	-	(639,231)	-	(639,231)
Emergency communication services	2,824,217	-	2,783,175	30,095	(10,947)	-	(10,947)
Employee benefits	9,045,092	-	-	-	(9,045,092)	-	(9,045,092)
Debt service	2,038,293	-	-	-	(2,038,293)	-	(2,038,293)
Unallocated depreciation and amortization	3,472,028	-	-	-	(3,472,028)	-	(3,472,028)
<b>Total Governmental Activities</b>	<b>133,833,874</b>	<b>10,808,455</b>	<b>85,290,296</b>	<b>30,095</b>	<b>(37,705,028)</b>	<b>-</b>	<b>(37,705,028)</b>
Business-type Activities:							
Central Park Complex	918,016	728,576	-	-	-	(189,440)	(189,440)
<b>Total Business-type Activities</b>	<b>918,016</b>	<b>728,576</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(189,440)</b>	<b>(189,440)</b>
<b>Total Primary Government</b>	<b>\$ 134,751,890</b>	<b>\$ 11,537,031</b>	<b>\$ 85,290,296</b>	<b>\$ 30,095</b>	<b>\$ (37,705,028)</b>	<b>\$ (189,440)</b>	<b>\$ (37,894,468)</b>
<b>General Revenues:</b>							
<b>Taxes:</b>							
Property Taxes, Levied for General Purposes					\$ 34,386,982	\$ -	\$ 34,386,982
Property Taxes, Levied for Debt Retirement					6,220,681	-	6,220,681
Property Taxes, Levied for Community College					1,250,235	-	1,250,235
Property Taxes, Levied for County Library					629,871	-	629,871
Payments in Lieu of Taxes					116,682	-	116,682
County Hotel Lodging Taxes					582,168	-	582,168
Gain/(loss) from Sale of Assets					(35,612)	-	(35,612)
Transfers in/(out) primary government					(109,333)	109,333	-
Transfers in/(out) component units					(3,456,358)	-	(3,456,358)
Unrestricted Investment Earnings					54,577	107	54,684
Other Revenues					79,847	80,000	159,847
<b>Total General Revenues and Transfers</b>					<b>39,719,740</b>	<b>189,440</b>	<b>39,909,180</b>
<b>Total Change in Net Position</b>					<b>2,014,712</b>	<b>-</b>	<b>2,014,712</b>
<b>Net Position - Beginning of Year</b>					<b>(21,179,811)</b>	<b>-</b>	<b>(21,179,811)</b>
<b>Prior Period Adjustment (Note 21)</b>					<b>704,697</b>	<b>-</b>	<b>704,697</b>
<b>Net Position - Beginning of Year, as restated</b>					<b>(20,475,114)</b>	<b>-</b>	<b>(20,475,114)</b>
<b>Net Position - End of Year</b>					<b>\$ (18,460,402)</b>	<b>\$ -</b>	<b>\$ (18,460,402)</b>

COUNTY OF CAMBRIA  
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2016

Functions/Programs		Program Revenues				Net (Expenses) Revenues and Changes in Net Position
Component Units:	Expenses	Charges for Services	Operating Grants and Contribution	Capital Grants and Contributions	Component Units	
Governmental Activities:						
Redevelopment Authority	\$ 1,743,358	\$ 58,936	\$ 1,673,756	\$ -	\$ (10,666)	
Library Association	1,752,666	71,884	873,375	-	(807,407)	
Conservation and Recreation Authority	745,690	-	547,745	-	(197,945)	
Total Component Unit Governmental Activities	4,241,714	130,820	3,094,876	-	(1,016,018)	
Business-type Activities:						
Planning Commission	349,478	299,965	-	-	(49,513)	
Municipal Airport Authority	1,743,447	354,670	-	-	(1,388,777)	
Transit Authority	12,661,645	912,700	8,431,519	-	(3,317,426)	
Economic Development Authority	78,412	-	-	-	(78,412)	
Solid Waste Management Authority	423,532	1,138	67,158	-	(355,236)	
Community College	12,938,913	7,473,533	4,374,628	-	(1,090,752)	
Behavioral Health of Cambria County	37,445,497	-	37,753,916	-	308,419	
War Memorial Arena Authority	2,344,540	2,156,809	-	-	(187,731)	
Total Component Unit Business-type Activities	67,985,464	11,198,815	50,627,221	-	(6,159,428)	
Total Component Units	\$ 72,227,178	\$ 11,329,635	\$ 53,722,097	\$ -	\$ (7,175,446)	
General Revenues:						
			Unrestricted Investment Earnings		\$ 70,871	
			Other Revenues		1,482,425	
			Transfers from Primary Government		3,856,491	
			Total General Revenues and Transfers		5,413,287	
			Change in Net Position Before Capital Contributions		(1,762,159)	
			Capital Contributions		2,603,499	
			Total Change in Net Position		841,340	
			Net Position - Beginning of Year		72,259,558	
			Net Position - End of Year		\$ 73,100,898	

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, 2016

	Major Funds				Other Nonmajor Governmental Funds	Totals
	General	Health Choices Fund	Children and Youth Fund	Behavioral Health/ Intellectual Disabilities & Early Intervention	Debt Service Fund	
<b>ASSETS:</b>						
Cash and cash equivalents	\$ 1,778,077	\$ 10	\$ -	\$ 442,125	\$ 7,185	\$ 6,794,962
Cash Held for Clients as Representative Payee and Guardianship Program (Note 18)	-	-	9,341	-	-	329,349
Receivables (net of allowance for uncollectibles)						
Accounts	1,808,428	-	157,886	157,773	-	3,181,168
Taxes	4,711,900	-	-	-	-	4,711,900
Due from other governments	106,729	7,473,895	3,605,862	17,309	899,036	12,102,831
Due from other funds (Note 1k)	6,558,602	-	-	1,135,220	1,959,366	12,207,349
Total Assets	14,963,736	7,473,905	3,773,089	1,752,427	2,561,346	39,327,559
<b>DEFERRED OUTFLOWS:</b>						
Prepaid expenses	159,873	-	19,228	-	-	179,101
Total Assets and Deferred Outflows	\$ 15,123,609	\$ 7,473,905	\$ 3,792,317	\$ 1,752,427	\$ 2,561,346	\$ 39,506,660
<b>LIABILITIES:</b>						
Accounts payable and accrued liabilities	\$ 6,727,964	\$ 7,473,905	\$ 1,058,547	\$ 1,023,377	\$ 1,538,117	\$ 17,821,910
Reserved Cash Held for Clients as Representative Payee and Guardianship Program (Note 18)	-	-	9,341	-	-	329,349
Other liabilities	317,421	-	-	-	-	317,421
Due to other governments	-	-	575,080	-	-	827,786
Due to other funds (Note 1k)	6,470,028	-	2,149,349	-	-	10,183,194
Total Liabilities	13,515,413	7,473,905	3,792,317	1,023,377	3,674,648	29,479,660
<b>DEFERRED INFLOWS:</b>						
Unearned revenues	3,883,512	-	-	729,050	2,059,121	6,671,683
<b>FUND BALANCE</b>						
Unassigned fund balance/(deficit)	(2,275,316)	-	-	-	(654,465)	(2,929,781)
Assigned fund balance	-	-	-	-	1,633,515	4,194,861
Restricted (Note 1i)	-	-	-	-	2,090,237	2,090,237
Total Fund Balance	(2,275,316)	-	-	-	3,069,287	3,355,317
Total Liabilities, Deferred Inflows and Fund Balance	\$ 15,123,609	\$ 7,473,905	\$ 3,792,317	\$ 1,752,427	\$ 2,561,346	\$ 39,506,660

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

Long-term liabilities, including bonds payable, net pension liability, other post-employment benefits, accrued interest on bonds, compensated absences, and certain amounts due to other governments are not due and payable in the current period and therefore are not reported as a fund liability

Deferred inflows and outflows related to participation in the defined benefit pension plan are not reported in the funds.

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

Net position of governmental activities

(86,940,722)
12,515,189
3,844,788
48,765,026
<u>\$ (18,460,402)</u>

COUNTY OF CAMBRIA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2016

	Major Funds					Other Nonmajor Governmental Funds	Totals
	General	Health Choices Fund	Children and Youth Fund	Behavioral Health/ Intellectual Disabilities & Early Intervention	Debt Service Fund		
<b>Revenues</b>							
Real estate taxes	\$ 42,791,935	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,791,935
Charges for services	8,153,712	-	120,991	1,396,733	-	615,310	10,286,746
Interest and investment income	22,068	297	-	2,567	-	29,645	54,577
Intergovernmental revenues	10,136,030	40,443,862	9,272,254	8,079,358	-	16,063,549	83,995,053
Other income	519,377	-	-	1,829	-	2,191,957	2,713,163
<b>Total Revenues</b>	<b>61,623,122</b>	<b>40,444,159</b>	<b>9,393,245</b>	<b>9,480,487</b>	<b>-</b>	<b>18,900,461</b>	<b>139,841,474</b>
<b>Expenditures</b>							
General government - administrative	6,818,999	-	-	-	-	58,417	6,877,416
General government - judicial	8,296,815	-	-	-	-	3,327,557	11,624,372
Public safety	6,503,691	-	-	-	-	282,100	6,785,791
Corrections	13,060,730	-	-	-	-	4,518,620	17,579,350
Public works	1,153,459	-	-	-	-	884,333	2,037,792
Human services	4,803,082	40,444,159	10,638,277	9,891,415	-	8,570,904	74,347,837
Culture and recreation	626,000	-	-	-	-	559,358	1,185,358
Conservation and development	1,302,855	-	-	-	-	1,285,648	2,588,503
Employee benefits	3,119,305	-	-	-	-	-	3,119,305
Emergency communication services	-	-	-	-	-	3,311,871	3,311,871
Debt service	162,682	-	-	-	5,969,934	-	6,132,616
<b>Total Expenditures</b>	<b>45,847,618</b>	<b>40,444,159</b>	<b>10,638,277</b>	<b>9,891,415</b>	<b>5,969,934</b>	<b>22,798,808</b>	<b>135,590,211</b>
<b>Excess/(Deficiency) of Revenues Over/(Under) Expenditures</b>	<b>15,775,504</b>	<b>-</b>	<b>(1,245,032)</b>	<b>(410,928)</b>	<b>(5,969,934)</b>	<b>(3,898,347)</b>	<b>4,251,263</b>
<b>Other Financing Sources/(Uses)</b>							
Proceeds from bond refunding	-	-	-	-	17,912,884	-	17,912,884
Bond discount	-	-	-	-	(81,509)	-	(81,509)
Bond issuance costs	-	-	-	-	(414,806)	-	(414,806)
Payment to refunding escrow agent	-	-	-	-	(12,463,618)	-	(12,463,618)
Operating transfers in	149,885	-	1,245,032	410,928	3,578,329	4,949,749	10,333,923
Operating transfers (out)	(10,325,770)	-	-	-	-	(117,486)	(10,443,256)
<b>Total Other Financing Sources/(Uses)</b>	<b>(10,175,885)</b>	<b>-</b>	<b>1,245,032</b>	<b>410,928</b>	<b>8,531,280</b>	<b>4,832,263</b>	<b>4,843,618</b>
<b>(Deficiency)/Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses</b>	<b>5,599,619</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,561,346</b>	<b>933,916</b>	<b>9,094,881</b>
<b>Fund Balance/(Deficit) - Beginning of Year</b>	<b>(8,579,632)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,135,371</b>	<b>(6,444,261)</b>
<b>Prior Period Adjustment (Note 21)</b>	<b>704,697</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>704,697</b>
<b>Fund Balance/(Deficit) - Beginning of Year, as restated</b>	<b>(7,874,935)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,135,371</b>	<b>(5,739,564)</b>
<b>Fund Balance/(Deficit) - End of Year</b>	<b>(2,275,316)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,561,346</b>	<b>\$ 3,069,287</b>	<b>\$ 3,355,317</b>



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, 2016

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

Net change in fund balance - total governmental funds (page 8)	\$ 9,094,881
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.)	177,005
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	(861,326)
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.	2,699
Contributions to the pension plan are recognized as an expenditure in the governmental funds when they are due, and thus requires the use of current financial resources. The net pension liability and deferred inflows and outflows related to the participation in the defined benefit pension plan in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(5,693,383)
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.	(262,030)
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	(187,484)
The net effect of various transactions involving capital assets, (i.e. purchases, disposals, depreciation, etc.) is to increase net position	(651,203)
Notes receivable recorded as cash outlays in the funds	176,923
Long-term liability to component unit	<u>218,630</u>
Change in net position of governmental activities (page 5)	<u><u>\$ 2,014,712</u></u>

COUNTY OF CAMBRIA  
PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
DECEMBER 31, 2016

	Business-type Activities Enterprise Funds Central Park Complex	Governmental Activities Internal Service
<u>ASSETS AND DEFERRED OUTFLOWS</u>		
Current Assets		
Cash and cash equivalents	\$ 2,050	\$ 948,537
Accounts receivable	15,866	2,706,140
Due from other funds	342,921	-
Total Current Assets	360,837	3,654,677
Non-current Assets		
Fixed assets (net of accumulated depreciation and amortization)	3,096,538	-
Total Assets	3,457,375	3,654,677
Deferred Outflows		
Bond issue discount	30,725	-
Total Assets and Deferred Outflows	<u>\$ 3,488,100</u>	<u>\$ 3,654,677</u>
<u>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</u>		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 49,562	\$ 1,297,275
Accrued interest	56,844	-
Compensated absences	8,480	-
Bonds and notes payable	188,726	-
Due to other governments	-	22,677
Due to other funds	-	2,334,725
Total Current Liabilities	303,612	3,654,677
Non-current Liabilities		
Compensated absences	2,621	-
Bonds and notes payable	3,040,893	-
Total Non-current Liabilities	3,043,514	-
Deferred Inflows		
Unearned revenue	462	-
Bond issue premium, net	140,512	-
Total Deferred Inflows	140,974	-
Net Position		
Investment in capital assets, net of related debt	(299,712)	-
Unrestricted	299,712	-
Total Net Position	-	-
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 3,488,100</u>	<u>\$ 3,654,677</u>

COUNTY OF CAMBRIA  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2016

	Business-type Activities Enterprise Funds Central Park Complex	Governmental Activities Internal Service
Operating Revenues:		
Charges for service	\$ -	\$ 11,918,215
Rental income	728,576	-
Total Operating Revenues	728,576	11,918,215
Operating Expenses:		
Depreciation and amortization	191,245	-
Maintenance and operating	572,304	11,924,340
Total Operating Expenses	763,549	11,924,340
Operating Income/(Loss)	(34,973)	(6,125)
Non-Operating Revenues/(Expenses):		
Investment income	107	6,125
Other income	80,000	-
Interest expense	(136,840)	-
Total Non-Operating Revenues/(Expenses)	(56,733)	6,125
Income/(Loss) Before Transfers	(91,706)	-
Other Financing Sources/(Uses):		
Bond issuance costs	(17,627)	-
Operating transfers in	109,333	-
Operating transfers (out)	-	-
Total Other Financing Sources/(Uses)	91,706	-
Change in Net Position	-	-
Net Position - Beginning of Year	-	-
Net Position - End of Year	\$ -	\$ -

COUNTY OF CAMBRIA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2016

	Business-type Activities Enterprise Funds Central Park Complex	Governmental Activities Internal Service
Cash Flows From Operating Activities		
Cash received from customers	\$ 748,841	\$ -
Cash received from interfund services provided	-	12,682,840
Cash payments to employees for services	(188,715)	-
Cash payments to suppliers for goods and services	(365,098)	(11,897,521)
Net Cash Provided By Operating Activities	<u>195,028</u>	<u>785,319</u>
Cash Flows From Non-Capital Financing Activities		
Transfers in from other funds	<u>189,333</u>	<u>-</u>
Net Cash Provided By Non-Capital Financing Activities	<u>189,333</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities		
Purchase of property and equipment	(170,309)	-
Payment on debt (net)	7,980	-
Interest paid	(136,923)	-
Net (decrease)/increase in interfund payables	(83,428)	(430,013)
Net Cash (Used For) Capital and Related Financing Activities	<u>(382,680)</u>	<u>(430,013)</u>
Cash Flows From Investing Activities		
Interest on cash equivalents	<u>107</u>	<u>6,125</u>
Net Cash Provided By Investing Activities	<u>107</u>	<u>6,125</u>
Net Increase in Cash and Cash Equivalents	1,788	361,431
Cash and Cash Equivalents Beginning of Year	<u>262</u>	<u>587,106</u>
Cash and Cash Equivalents at End of Year	<u>\$ 2,050</u>	<u>\$ 948,537</u>

COUNTY OF CAMBRIA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2016

	Business-Type Activities Enterprise Funds Central Park Complex	Governmental Activities Internal Service
<b>Reconciliation of Operating Income to Net Cash (Used For)/Provided By Operating Activities:</b>		
Operating (Loss)	\$ (34,973)	\$ (6,125)
Adjustments to reconcile operating income to net cash provided by/(used in) operating activities:		
Depreciation	191,245	-
Changes in assets, deferred outflows, liabilities and deferred inflows:		
Decrease in accounts receivable	19,803	764,625
Increase/(Decrease) in accounts payable and accrued liabilities	25,009	26,819
Increase in unearned revenue	462	-
(Decrease) in accrued vacation	(6,518)	-
Total Adjustments	230,001	791,444
Net Cash Provided By Operating Activities	\$ 195,028	\$ 785,319

COUNTY OF CAMBRIA  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
DECEMBER 31, 2016

	Prison Resident Fund	Prison Canteen Fund	Recorder of Deeds
	<u>          </u>	<u>          </u>	<u>          </u>
<u>ASSETS AND DEFERRED OUTFLOWS</u>			
Assets			
Cash and cash equivalents	\$ 98,103	\$ 57,736	\$ 274,102
Investments	-	-	-
Accounts receivable	-	5,652	482
Due from other governments	-	3,913	-
	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets and Deferred Outflows	<u>\$ 98,103</u>	<u>\$ 67,301</u>	<u>\$ 274,584</u>
<u>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</u>			
Liabilities			
Due to other governments	\$ 11,112	\$ 6,850	\$ 419,557
Other liabilities	86,991	14,058	13,153
Due to other funds	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities	<u>98,103</u>	<u>20,908</u>	<u>432,710</u>
Net Position			
Restricted (Note 1m)	-	46,393	-
	<u>          </u>	<u>          </u>	<u>          </u>
Total Net Position	<u>-</u>	<u>46,393</u>	<u>-</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 98,103</u>	<u>\$ 67,301</u>	<u>\$ 432,710</u>

COUNTY OF CAMBRIA  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
DECEMBER 31, 2016

	Register of Wills	Sheriff's Office	Office of the Prothonotary
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<u>ASSETS AND DEFERRED OUTFLOWS</u>			
Assets			
Cash and cash equivalents	\$ 43,862	\$ 287,924	\$ 184,590
Investments	-	-	-
Accounts receivable	-	-	-
Due from other governments	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Assets and Deferred Outflows	<u>\$ 43,862</u>	<u>\$ 287,924</u>	<u>\$ 184,590</u>
<u>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</u>			
Liabilities			
Due to other governments	\$ 43,862	\$ 84,832	\$ 21,746
Other liabilities	-	203,092	162,844
Due to other funds	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Liabilities	<u>43,862</u>	<u>287,924</u>	<u>184,590</u>
Net Position			
Restricted (Note 1m)	<u>                    </u>	<u>                    </u>	<u>                    </u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Net Position	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 43,862</u>	<u>\$ 287,924</u>	<u>\$ 184,590</u>

COUNTY OF CAMBRIA  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
DECEMBER 31, 2016

	Clerk of Courts	Domestic Relations Support	Intermediate Punishment Unit
	<u>ASSETS AND DEFERRED OUTFLOWS</u>		
Assets			
Cash and cash equivalents	\$ 942,196	\$ 195,113	\$ 97,185
Investments	-	-	-
Accounts receivable	-	-	-
Due from other governments	-	-	-
	<u>\$ 942,196</u>	<u>\$ 195,113</u>	<u>\$ 97,185</u>
Total Assets and Deferred Outflows			
	<u>\$ 942,196</u>	<u>\$ 195,113</u>	<u>\$ 97,185</u>
	<u>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</u>		
Liabilities			
Due to other governments	\$ 479,680	\$ -	\$ -
Other liabilities	462,516	195,113	97,185
Due to other funds	-	-	-
	<u>942,196</u>	<u>195,113</u>	<u>97,185</u>
Total Liabilities			
	<u>942,196</u>	<u>195,113</u>	<u>97,185</u>
Net Position			
Restricted (Note 1m)	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Net Position			
	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities, Deferred Inflows and Net Position			
	<u>\$ 942,196</u>	<u>\$ 195,113</u>	<u>\$ 97,185</u>



COUNTY OF CAMBRIA  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
DECEMBER 31, 2016

	Retirement Trust Fund	Workers' Compensation Trust Fund	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<u>ASSETS AND DEFERRED OUTFLOWS</u>			
Assets			
Cash and cash equivalents	\$ 2,214,023	\$ -	\$ 4,394,834
Investments	181,629,957	793,438	182,423,395
Accounts receivable	263,377	5,782	275,293
Due from other governments	<u>-</u>	<u>-</u>	<u>3,913</u>
Total Assets and Deferred Outflows	<u>\$ 184,107,357</u>	<u>\$ 799,220</u>	<u>\$ 187,097,435</u>
<u>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</u>			
Liabilities			
Due to other governments	\$ -	\$ -	\$ 1,067,639
Other liabilities	110,669	744	1,346,365
Due to other funds	<u>32,351</u>	<u>-</u>	<u>32,351</u>
Total Liabilities	<u>143,020</u>	<u>744</u>	<u>2,446,355</u>
Net Position			
Restricted (Note 1m)	<u>183,964,337</u>	<u>798,476</u>	<u>184,809,206</u>
Total Net Position	<u>183,964,337</u>	<u>798,476</u>	<u>184,809,206</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 184,107,357</u>	<u>\$ 799,220</u>	<u>\$ 187,255,561</u>

COUNTY OF CAMBRIA  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
WORKERS' COMPENSATION TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2016

Revenues	
Interest income	\$ 25,205
Net (depreciation) in fair value of investments	<u>(4,635)</u>
Total Revenues	<u>20,570</u>
Expenses	
Operating expenses	<u>3,182</u>
Total Expenses	<u>3,182</u>
Excess/(Deficiency) of Revenues Over Other Financing Sources/(Uses)	17,388
Net Position:	
Beginning of Year	<u>781,088</u>
End of Year	<u><u>\$ 798,476</u></u>

COUNTY OF CAMBRIA  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
RETIREMENT TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2016

Additions

Contributions:

Employer	\$ 2,572,080
Employee	<u>2,700,331</u>

Total Contributions	<u>5,272,411</u>
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Investment Income:

Interest	884,677
Dividends	3,747,193
Net appreciation in fair value of investments	<u>10,033,646</u>

14,665,516

Less: Investment expense	<u>518,196</u>
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Net investment income	<u>14,147,320</u>
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Total Additions	<u>19,419,731</u>
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Deductions

Benefits	14,063,504
Administrative expenses	<u>69,825</u>

Total Deductions	<u>14,133,329</u>
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Increase in Net Position	5,286,402
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Net Position:

Beginning of Year	<u>178,677,935</u>
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End of Year	<u><u>\$ 183,964,337</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, 2016

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

**a. Financial Reporting Entity**

The County follows the Statement of Governmental Accounting Standards Board No. 61, "The Financial Reporting Entity." The County's combined financial statements include the accounts of all County operations. The criteria for including organizations as component units within the County's reporting entity include whether:

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

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

### **Cambria County Planning Commission**

The members of the governing board of the Cambria County Planning Commission are appointed by the Board of County Commissioners. The County provides financial support through its obligation to fund deficits. In addition, the County must approve any issuance of debt. The reporting period for the Cambria County Planning Commission is June 30, 2016.

### **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, 2016.

### **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. This financial support was not renewed for 2016 and the Authority's operations were discontinued at December 31, 2016.

### **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, 2016.

### **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, 2016.

### **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, 2016.

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 (3) categories of funds: governmental, proprietary, and fiduciary.



## **Governmental Funds**

Governmental funds are those through which most governmental functions of the County are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows, and liabilities and deferred inflows, is reported as fund balance.

The following are the County's major governmental funds:

### **General Fund**

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

### **Health Choices Fund**

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

### **Children and Youth Fund**

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

### **Behavioral Health/Intellectual Disabilities & Early Intervention Programs**

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

### **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.

The other governmental funds of the County account for grants and other resources whose use is assigned for a particular purpose; the accumulation of resources for, and payment of debt; and the acquisition or construction of major capital facilities.

### **Proprietary Funds**

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

The following are the County's major proprietary funds:

#### **Central Park Complex Fund**

The County owns the building called "Central Park Complex" in downtown Johnstown. The County collects rents from tenants in the building (e.g. Human Services Programs such as Area Agency on Aging, Behavioral Health/Intellectual Disabilities & Early Intervention, Children and Youth, and Drug and Alcohol). The rental income is used to maintain the building and pay the related utility bills for the building.

### **Fiduciary Funds**

Fiduciary fund reporting focuses on net position and changes in net position. The County's investment trust fund accounts for the external portion of the cash management pool, which represents resources that belong to legally separate entities. The County's agency funds account for assets held by the County for political subdivisions in which the County acts as fiscal agent and for taxes, state-levied shared revenues, and fines and forfeitures collected and distributed to other political subdivisions.

#### **d. Measurement Focus and Basis of Accounting**

##### **Government-Wide Financial Statements**

The government-wide financial statements, component unit financial statements, and fund financial statements for proprietary and fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets, deferred outflows, liabilities, and deferred inflows (whether current or non-current) are included on the balance sheet and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounts, revenues are recognized when earned, if measurable, and expenses are recognized as incurred, regardless of timing of related cash flows.

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

## **Fund Financial Statements**

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows and current liabilities and deferred inflows are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reflects the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the fund financial statements for governmental funds.

## **Proprietary Fund Financial Statements**

Like the government-wide financial statements, the enterprise funds are accounted for using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in revenues, expenses, and changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows reflects how the County finances and meets the cash flow needs of its enterprise activities.

Proprietary funds separate all activity into two (2) 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, 2016, but were levied to finance 2016 operations, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements were met have also been recorded as unearned revenue.

On governmental fund financial statements, receivables that were not collected within the available period are recorded as unearned revenue.

**g. Investments**

Investments of all funds are stated at fair value.

**h. Budgets and Budgetary Accounting**

Commonwealth of Pennsylvania statutes require that County Governments establish budgetary systems and adopt annual operating budgets. The County's annual budget includes the General Fund and Certain Special Revenue Funds, and is based on estimates of revenues and expenditures approved by the Commissioners. The County of Cambria follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to October 1, the department heads submit to the County Commissioners proposed operating budgets for the fiscal year which commences on January 1.
2. The County Finance Director assembles the preliminary projections of revenues and expenditures into a formal budget incorporating any revisions or adjustments resulting from the Commissioners' review.
3. Public hearings are conducted on the proposed budget. The proposed budget is available for public inspection for twenty (20) days prior to final adoption.
4. After the twenty (20)-day inspection period, but prior to December 31, the County Commissioners adopt the final budget by enacting an appropriate resolution.
5. The formal budgetary process is employed as a planning device. The adopted budget is on a basis consistent with GAAP. Budget amounts are as originally adopted by the County Commissioners. All budget adjustments are prepared and signed by the department head or row officer. Any overall budget increases/decreases are prepared and approved by the Commissioner's office.

i. **Cash and Cash Equivalents**

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

j. **Capital Assets**

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

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

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

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

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

**Capital Assets and Depreciation – Component Units**

The component units record assets at cost. The assets are depreciated on the straight-line method using three (3) to thirty (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, 2016 were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
<u>Governmental Fund Types</u>		
<b>General Fund</b>	\$ <u>6,558,602</u>	\$ <u>6,470,028</u>
<b>Special Revenue Funds</b>		
911 Emergency Communications	---	285,446
Domestic Relations	---	387,446
Juvenile Probation	148,141	---
Booking Center	---	618,294
Farmland Preservation	7,000	---
HMER A	---	1
Emergency Management Agency	---	109,999
DUI	541,183	---
Substance Abuse	---	77,594
Records Improvement	5,501	---
Veteran's Court	---	14,699
Clerk of Courts Automation	---	250
Prothonotary Automation	---	475
Parks and Playgrounds	---	43,116
Area Agency on Aging	876,079	---
Foster Grandparents	---	26,497
Children and Youth	---	2,149,349
Drug and Alcohol	367,782	---
Human Services	13,680	---
Behavioral Health/Intellectual Disabilities & Early Intervention	<u>1,135,220</u>	<u>---</u>
Total Special Revenue Funds	<u>3,094,586</u>	<u>3,713,166</u>
<b>Debt Service Fund</b>	<u>2,554,161</u>	<u>---</u>
Total Governmental Fund Types	<u>12,207,349</u>	<u>10,183,194</u>
<u>Proprietary Fund Types</u>		
Central Park Complex	342,921	---



Internal Service	---	<u>2,334,725</u>
Total Proprietary Fund Types	<u>342,921</u>	<u>2,334,725</u>
<u>Fiduciary Fund Types</u>		
Retirement Trust Fund	---	<u>32,351</u>
Total Fiduciary Fund Types	---	<u>32,351</u>
Total Interfunds	\$ <u>12,550,270</u>	\$ <u>12,550,270</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:

### **Liquid Fuels Tax Fund**

Restricted – PA Department of Transportation                      \$ 1,285,357

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

### **Act 13 Fund**

Restricted – PA Department of Transportation                      \$ 804,880

These funds include money received from the PA Department of Transportation which are restricted under Pennsylvania Act 13 of 2012.

### **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, 2016:

### **Primary Government**

Restricted by PA Department of Transportation                      \$ 2,090,237

### **Fiduciary Funds**

Retirement Trust Fund \$ 183,964,337

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

Workers' Compensation Trust \$ 798,476

This represents funds restricted to fund workers' compensation claims.

Prison Canteen/Resident \$ 46,393

This represents funds restricted for the welfare of prison inmates.

### **Component Units**

Cambria Library Association \$ 561,929

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

Community College \$ 1,288,648

This restriction has been established for resources which the Foundation is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

Behavioral Health of Cambria County \$ 3,028,952

This restriction has been established for Pennsylvania Department of Human Services Reinvestment Funds and Risk and Contingency Funds that have not yet been spent for the specified purpose.

#### **n. Property Tax Revenues**

Property taxes collected within sixty (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 (2) years past due, unless unusual circumstances exist.

#### **o. Interfund Transfers**

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

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

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

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

**q. Deferred Outflows/Inflows of Resources**

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

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

**r. Long-Term Obligations**

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

**s. Estimates**

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

**t. Joint Venture**

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

**Reporting Entity and Nature of Activities**

The combined financial statements present the accounts and transactions of the Cambria Somerset Authority (“CSA”) and its Combined Affiliates (“the Authority”), Cambria and Somerset Counties Conservancy (“CSCC”) and Manufacturer’s Water Company (“MWC”). All significant inter-company transactions have been eliminated in the combination.

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

**Financial Information**

Selected financial information from the most recently issued reports of the Authority is presented below. Complete financial statements are available from the Authority’s offices at 110 Franklin Street, Suite 200, Johnstown, Pennsylvania 15901.

	Year Ended <u>December 31, 2016</u>
Current Assets	\$ 1,183,982
Total Assets	14,649,296
Deferred Outflows of Resources	35,451
Current Liabilities	1,005,285
Total Liabilities	11,780,413
Net Position	2,904,334
Operating Revenues	1,026,484
Operating Expenses	( 1,609,798)
Non-Operating Revenues	114,167
Non-Operating Expenses	( 267,773)
Capital Contributions	43,286
Change in Net Position	( 693,634)

## 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 \$1,798,434 of the Authority's Guaranteed 2015 Water Revenue Note. See Note 17 for further details.

### **u. New GASB Pronouncements**

In the current year, the County has implemented GASB Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurement and provides guidance for determining a fair value measurement for financial reporting purposes.

In the current year, the County has implemented GASB Statement No. 73, *Accounting and Financial Reporting for Pension and Related Assets That Are Not Within the Scope of GASB 68, and Amendments to Certain Provisions of GASB 67 and 68*. This Statement improves the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability.

In the current year, the County has implemented GASB Statement No. 76, *the Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. This Statement replaces the requirements of Statement No. 55, *the Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The requirements in this Statement improve financial reporting by raising the category of GASB Implementation Guides in the GAAP hierarchy, emphasizing the importance of analogies to authoritative literature when the accounting treatment for an event is not specified in authoritative GAAP, and requiring the consistency with the GASB Concepts Statements when evaluating accounting treatments specified in nonauthoritative literature.

In the current year, the County has implemented GASB Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose the following information about the agreements: brief description information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients; the gross dollar amount of taxes abated the during the period; and commitments made by a government, other than to abate taxes, as part of a tax abatement agreement.

In the current year, the County has implemented GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes.

## **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 twenty percent (20%) of a bank's total capital surplus or twenty percent (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, 2016, cash balances were covered by the FDIC or by pledged collateral held by the financial institutions' trust departments or custodial agents for the benefit of the County.

Cash and investments as of December 31, 2016 are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and investments	\$ 7,745,549
Cash held for clients as representative payee and guardianship program	329,349
Statement of Fiduciary net position:	
Cash and investments	<u>186,818,229</u>
Total Cash and Investments	<u>\$ 194,893,127</u>

Cash and investments as of December 31, 2016 consist of the following:

Cash on hand	\$ 31,610
Deposits with financial institutions	10,249,010
Investments	<u>184,612,507</u>
Total Cash and Investments	<u>\$ 194,893,127</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	12 Months or Less	13 to 36 Months	37 to 60 Months	More Than 60 Months
Fixed Income Securities	<u>\$ 5,887,011</u>	<u>\$11,152,802</u>	<u>\$ 13,449,851</u>	<u>\$ 11,651,041</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	Aaa	Aa	A	Baa	Ba
Government:					
Treasury	\$ 8,237,025	\$ ---	\$ ---	\$ ---	\$ ---
Agency	13,231,125	---	---	---	---
Corporate:					
Industrial	307,886	951,879	3,966,860	784,892	249,860
Utility	---	767,546	---	943,516	---
Finance	84,560	1,036,404	4,157,677	973,836	138,765
Yankee	---	331,736	---	245,008	---
Transportation	---	---	145,270	---	---
Municipalities	---	---	---	188,634	---
Mortgage					
FHLMC	2,168	---	---	---	---
FNMA	<u>2,168</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Totals	<u>\$ 21,864,932</u>	<u>\$ 3,087,565</u>	<u>\$ 8,269,807</u>	<u>\$ 3,135,886</u>	<u>\$ 388,625</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 one hundred ten percent (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, 2016, 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	\$ 42,162,387
Domestic Equity	102,240,977
International Equity	12,831,142
Real Estate	5,793,631
Non Traditional	20,141,360
Temporary Investment - Cash	<u>1,467,651</u>
	<u>\$ 184,637,418</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 \$12,831,412 in investments subject to foreign currency risk at year end.

### **Investment Risk**

The Cambria County Employees Retirement Fund is a limited partner in Ironsides Co-Investment Fund III, L.P. Constitution Capital Partners, LLC serves as the investment management and is registered with the U.S. Securities and Exchange Commission under the Investment Advisors Act of 1940, as amended. The Fund is an investment company in accordance with Accounting Standards Codification 946. Therefore the Fund follows the accounting and reporting guidance for investment companies. The Fund is organized for the purpose of investing in privately negotiated transactions, generally sourced on a co-investment basis with certain private equity partnerships in companies whose principal operations are in North America in accordance with the investment objectives, policies, procedures and restrictions.

The methods used to value these investments may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Fund believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

## Investments – Fair Value Measurements

Generally accepted accounting principles define fair value, describe a framework for measuring fair value, and require disclosure about fair value measurements. Recurring fair value measurements are those that GASB Statements require or permit in the statement of net position at the end of each reporting period. The established framework includes a three-level hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the assets or liabilities fall within different levels of the hierarchy, the classification is based on the lowest level input that is significant to the fair value measurement of the asset or liability. Classification of assets and liabilities within the hierarchy considers the markets in which the assets and liabilities are traded and reliability and transparency of the assumptions used to determine fair value. The hierarchy requires the use of observable market data when available. The levels of the hierarchy and those investments included in each are as follows:

*Level 1* – Represented by quoted prices available in an active market. Level 1 securities include highly liquid government bonds, treasury securities, mortgage products and exchange traded equities and mutual funds.

*Level 2* – Represented by assets and liabilities similar to Level 1 where quoted prices are not available, but are observable, either directly or indirectly through corroboration with observable market data, such as quoted prices for similar securities and quoted prices in inactive markets and estimated using price models or discounted cash flows. Level 2 securities would include U.S. agency securities, mortgage-based agency securities, obligations of states, and political subdivisions and certain corporate, asset backed securities, swap agreements, and life insurance contracts.

*Level 3* – Represented by financial instruments where there is limited activity or unobservable market prices and pricing models significant to determining the fair value measurement include the reporting entity's own assumptions about the market risk. Level 3 securities would include hedge funds, private equity securities, and those with internally developed values.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The following is a description of the valuation methodologies used for instruments measured at fair value on the statement of fiduciary net position, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Mutual Funds and Stocks: Valued at the closing price reported on the active market on which the securities are traded.

Government Obligations and Corporate Bonds: Government obligations consisting of U.S. Treasury bonds and notes, agency securities, mortgage backed securities and corporate debt obligations consisting of bonds are generally valued at the most recent price of the equivalent quotes yield for such securities, or those of comparable maturity, quality and type. Such investments are generally classified within Level 2 of the valuation hierarchy.

Private Equity Securities: The Cambria County Employees Retirement Fund is a limited partner in Ironside Co-Investment Fund III. Investments are stated at fair value, as determined in good faith by the General Partner, after consideration of pertinent information including available market prices, types of securities, marketability, restrictions on disposition, subsequent purchases of the same or similar securities by other investors, pending mergers or acquisitions, current financial position, operating results and other appropriate information. The fair values assigned to the securities held are based on available information and do not necessarily represent amounts which might ultimately be realized, since such amounts depend on future circumstances and may not be reasonably determined until the individual positions are liquidated. Such securities are classified within Level 3 of the valuation hierarchy.

The following table sets forth by level within the fair value hierarchy, the financial assets that were accounted for at fair value on a recurring basis as of December 31, 2016:

	Fair Value Measurements at Reporting Date		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Using	
December 31, 2016		Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual Funds	\$ 95,573,966	\$ ---	\$ ---
Government Obligations	---	21,091,539	---
Stocks	38,746,560	---	---
Corporate Bonds	---	17,023,815	---
Private Equity Securities	---	---	<u>12,176,628</u>
	<u>\$ 134,320,526</u>	<u>\$ 38,115,354</u>	<u>\$ 12,176,628</u>

### NOTE 3 - REAL ESTATE TAXES

Real estate taxes attach an enforceable lien on property on January 1. Taxes are billed on or about March 1, payable under the following terms: two percent (2%) discount, March 1 through April 30; face amount, May 1 through June 30, and ten percent (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 2016 was 34.5 mills, of which 5 mills were designated for debt service, 1 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 27.50 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 sixty (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 \$4,711,900 as stated on the Governmental Funds Balance Sheet, are actual legal claims of lien properties. The County has recorded unearned taxes receivable of \$3,844,788 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 2016 and prior that are summarized as follows:

	<u>Gross Taxes Receivable</u>	<u>Allowance for Uncollectibles</u>	<u>Net Estimated to be Collectible</u>
Property taxes	<u>\$6,618,045</u>	<u>(\$1,906,145)</u>	<u>\$ 4,711,900</u>

#### NOTE 4 - DUE FROM / DUE TO OTHER GOVERNMENTS

Amounts due from other governments are generally comprised of amounts due from Federal, State, and Local governmental units for reimbursement due under the grant programs at December 31, 2016.

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, 2016. Previously included in this balance was \$218,630 due to the Cambria County War Memorial Authority, pursuant to a management agreement between Cambria County War Memorial Authority and SMG. The amount due was to be paid in ten (10) annual installments of \$21,863, commencing on or before May 1, 2015. As of the balance sheet date, two (2) payments to SMG were made. Subsequent to year end, the contract was renegotiated. Under the terms of the contract, the balance due at December 31, 2016 of \$174,904 will be paid to SMG by the Authority, who in turn will make a Capital Investment of \$175,000. Therefore, the balance due to SMG has been removed from Statement of Net Position as of December 31, 2016. (See Note 17).

During 2015, the Commonwealth of Pennsylvania Auditor General performed an audit of Children and Youth funds for fiscal years 2009 and 2010. The State determined that the County started receiving Special Grants in 2008, which were for specific purposes and fall outside of the Act 148 funding. However, expenditures relating to these Special Grants were included in the Act 148 reports and therefore included in the reimbursement calculations from the State. As a result, the County received reimbursement on both the Special Grants and the Act 148 Funds for the same expenditures. The amount of overpayment is \$954,579, and will be repaid to the State in installments. Payments of \$126,793 were made during the year, and the balance of \$827,786 is included in the amounts due to other governments.

#### NOTE 5 - FIXED ASSETS

Capital asset activity for the year ended December 31, 2016 was as follows:

	Balance 12/31/15	Additions	Disposals	Balance 12/31/16
<b>Government activities:</b>				
Capital assets not being depreciated:				
Construction-in-progress	\$ 1,398,344	\$ 789,609	(\$ 1,305,012)	\$ 882,941
Total capital assets not being depreciated	1,398,344	789,609	( 1,305,012)	882,941
Other capital assets:				
Site improvements	5,013,126	2,283,889	( 383,838)	6,913,177
Infrastructure	14,725,074	---	---	14,725,074

Building and permanent fixtures	50,174,634	312,709	( 36,237)	50,451,106
Office furniture and equipment	2,742,281	267,585	( 477,149)	2,532,717
General equipment	4,900,599	180,887	( 180,371)	4,901,115
Radio equipment	13,334,276	---	( 113,735)	13,220,541
Computer hardware and software	6,608,423	181,520	( 252,133)	6,537,810
Vehicles	<u>5,301,295</u>	<u>147,811</u>	<u>( 13,455)</u>	<u>5,435,651</u>
Total capital assets, at cost	<u>102,799,708</u>	<u>3,374,401</u>	<u>( 1,456,918)</u>	<u>104,717,191</u>
Less accumulated depreciation for:				
Site improvements	( 1,753,390)	( 187,616)	383,838	( 1,557,168)
Infrastructure	( 5,428,649)	( 301,740)	---	( 5,730,389)
Building and permanent fixtures	( 24,818,972)	( 1,195,218)	34,934	( 25,979,256)
Office furniture and equipment	( 1,930,926)	( 190,853)	476,023	( 1,645,756)
General equipment	( 3,397,425)	( 339,454)	177,880	( 3,558,999)
Radio equipment	( 7,520,499)	( 768,282)	81,214	( 8,207,567)
Computer hardware and software	( 6,456,075)	( 65,618)	251,400	( 6,270,293)
Vehicles	<u>( 3,475,888)</u>	<u>( 423,245)</u>	<u>13,455</u>	<u>( 3,885,678)</u>
Total accumulated Depreciation	<u>( 54,781,824)</u>	<u>( 3,472,026)</u>	<u>1,418,744</u>	<u>( 56,835,106)</u>
Governmental activities capital assets, net	<u>\$ 49,416,228</u>	<u>\$ 691,984</u>	<u>(\$ 1,343,186)</u>	<u>\$ 48,765,026</u>
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land	\$ 290,116	\$ ---	\$ ---	\$ 290,116
Construction-in-progress	<u>---</u>	<u>231,312</u>	<u>---</u>	<u>231,312</u>
Total capital assets not being depreciated	<u>290,116</u>	<u>231,312</u>	<u>---</u>	<u>521,428</u>
Other Capital assets:				
Buildings and permanent fixtures	6,383,472	---	---	6,383,472

Office furniture and equipment	6,500	---	---	6,500
Machinery & equipment	<u>36,499</u>	<u>---</u>	<u>---</u>	<u>36,499</u>
Total capital assets at cost	<u>6,426,471</u>	<u>---</u>	<u>---</u>	<u>6,426,471</u>
Less accumulated depreciation for:				
Buildings and permanent fixtures	( 3,606,575)	( 218,047)	---	( 3,824,622)
Office furniture and equipment	( 3,574)	( 650)	---	( 4,224)
Machinery & equipment	( <u>20,689</u> )	( <u>1,826</u> )	<u>---</u>	( <u>22,515</u> )
Total accumulated depreciation	( <u>3,630,838</u> )	( <u>220,523</u> )	<u>---</u>	( <u>3,851,361</u> )
Business-type activities capital assets, net	\$ <u>3,085,749</u>	\$ <u>10,789</u>	(\$ <u>---</u> )	\$ <u>3,096,538</u>

#### COMPONENT UNITS:

Summaries of the component units' fixed assets as of December 31, 2016 follow:

	<u>Balance 12/31/15</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance 12/31/16</u>
<b>Planning Commission:</b>				
Equipment	\$ 27,725	\$ 1,065	\$ ---	\$ 28,790
Less: Accumulated depreciation	( <u>24,075</u> )	( <u>1,067</u> )	<u>---</u>	( <u>25,142</u> )
Total capital assets, net	\$ <u>3,650</u>	(\$ <u>2</u> )	\$ <u>---</u>	\$ <u>3,648</u>
<b>Redevelopment Authority:</b>				
Land	\$ 70,768	\$ ---	\$ ---	\$ 70,768
Land Improvements	61,193	---	---	61,193
Buildings & improvements	1,801,425	---	---	1,801,425
Furniture & equipment	<u>15,414</u>	<u>---</u>	<u>---</u>	<u>15,414</u>
Total capital assets at cost	<u>1,948,800</u>	<u>---</u>	<u>---</u>	<u>1,948,800</u>
Less: Accumulated depreciation	( <u>293,245</u> )	( <u>86,789</u> )	<u>---</u>	( <u>380,034</u> )
Total capital assets, net	\$ <u>1,655,555</u>	(\$ <u>86,789</u> )	\$ <u>---</u>	\$ <u>1,568,766</u>
<b>Library Association:</b>				
Books & audio visual	\$1,759,233	\$ 85,687	(\$ 38,454)	\$ 1,806,466
Improvements	283,727	49,379	( 33,162)	299,944



Furniture & equipment	130,822	---	---	130,822
Software	143,672	---	---	143,672
Computer equipment	166,862	2,917	---	169,779
Automobiles	<u>18,800</u>	<u>---</u>	<u>---</u>	<u>18,800</u>
Total capital assets at cost	<u>2,503,116</u>	<u>137,983</u>	<u>( 71,616)</u>	<u>2,569,483</u>
Less: Accumulated depreciation	<u>( 1,792,840)</u>	<u>( 143,727)</u>	<u>71,616</u>	<u>( 1,864,951)</u>
Total capital assets, net	<u>\$ 710,276</u>	<u>(\$ 5,744)</u>	<u>\$ ---</u>	<u>\$ 704,532</u>

**Municipal Airport Authority:**

Land	\$ 1,909,798	\$ ---	\$ ---	\$ 1,909,798
Construction-in-progress	52,174	1,414,163	---	1,466,337
Land improvements	40,138,810	---	---	40,138,810
Building & improvements	4,236,280	---	---	4,236,280
Vehicles & equipment	<u>2,788,604</u>	<u>535,252</u>	<u>(24,611)</u>	<u>3,299,245</u>
Total capital assets at cost	<u>49,125,666</u>	<u>1,949,415</u>	<u>( 24,611)</u>	<u>51,050,470</u>
Less: Accumulated depreciation	<u>( 36,661,482)</u>	<u>( 1,119,342)</u>	<u>24,611</u>	<u>( 37,756,213)</u>
Total capital assets, net	<u>\$ 12,464,184</u>	<u>\$ 830,073</u>	<u>\$ ---</u>	<u>\$ 13,294,257</u>

**Transit Authority:**

Land – Inclined Plane	\$ 834,712	\$ ---	\$ ---	\$ 834,712
Construction in Progress	---	1,817	---	1,817
Land Improvements	24,340	9,775	---	34,115
Buildings & Improvements	39,257,488	198,449	( 6,040)	13,546,189
Vehicles, equipment and other	<u>18,701,939</u>	<u>434,989</u>	<u>( 247,430)</u>	<u>18,889,498</u>
Total capital assets at cost	<u>58,818,479</u>	<u>645,030</u>	<u>( 253,470)</u>	<u>59,210,039</u>
Less: Accumulated depreciation	<u>( 24,998,925)</u>	<u>( 2,174,340)</u>	<u>253,470</u>	<u>( 26,919,795)</u>
Total capital assets, net	<u>\$ 33,819,554</u>	<u>(\$1,529,310)</u>	<u>\$ ---</u>	<u>\$ 32,290,244</u>

**Solid Waste Management Authority:**

Furniture & fixtures	\$ 19,098	\$ ---	\$ ---	\$ 19,098
Equipment	191,487	---	---	191,487
Improvements	<u>9,611</u>	<u>---</u>	<u>---</u>	<u>9,611</u>

Total capital assets at cost	<u>220,196</u>	<u>---</u>	<u>---</u>	<u>220,196</u>
Less: Accumulated depreciation	( <u>65,478</u> )	( <u>8,683</u> )	<u>---</u>	( <u>65,478</u> )
Total capital assets, net	<u>\$ 154,718</u>	( <u>\$ 8,683</u> )	<u>\$ ---</u>	<u>\$ 146,035</u>

**Conservation & Recreation  
Authority:**

Land	\$ 6,491,102	\$ ---	\$ ---	\$ 6,491,102
Construction in Progress	11,588	54,574	---	66,162
Building	1,034,796	---	---	1,034,796
Equipment	<u>133,530</u>	<u>---</u>	<u>---</u>	<u>133,530</u>
Total capital assets at cost	<u>7,671,016</u>	<u>54,574</u>	<u>---</u>	<u>7,725,590</u>
Less: Accumulated depreciation	( <u>332,425</u> )	( <u>30,753</u> )	<u>---</u>	( <u>363,178</u> )
Total capital assets, net	<u>\$ 7,338,591</u>	<u>\$ 23,821</u>	<u>\$ ---</u>	<u>\$ 7,362,412</u>

**Pennsylvania Highlands  
Community College:**

Equipment	\$ 4,553,232	\$ 250,735	(\$ 333,856)	\$ 4,470,111
Construction-In-Progress	105,028	30,280	---	135,308
Leasehold improvements	12,714,279	105,028	---	12,819,307
Computer software	<u>265,331</u>	<u>---</u>	<u>(35,255)</u>	<u>230,076</u>
Total capital assets at cost	<u>17,637,870</u>	<u>386,043</u>	<u>(369,111)</u>	<u>17,654,802</u>
Less: Accumulated depreciation	( <u>7,318,065</u> )	( <u>955,548</u> )	<u>369,111</u>	( <u>7,504,502</u> )
Total capital assets, net	<u>\$ 10,319,805</u>	( <u>\$ 569,505</u> )	<u>\$ ---</u>	<u>\$ 9,750,300</u>

**War Memorial Arena Authority:**

Equipment	\$ 445,401	\$ 7,193	\$ ---	\$ 452,594
Leasehold improvements	<u>545,077</u>	<u>649,108</u>	<u>---</u>	<u>1,194,185</u>
Total capital assets at cost	<u>990,478</u>	<u>656,301</u>	<u>---</u>	<u>1,646,779</u>
Less: Accumulated depreciation	( <u>630,477</u> )	( <u>64,730</u> )	<u>---</u>	( <u>695,207</u> )
Total capital assets, net	<u>\$ 360,001</u>	<u>\$ 591,571</u>	<u>\$ ---</u>	<u>\$ 951,572</u>

**Behavioral Health of Cambria  
County:**

Equipment	\$ 26,925	\$ 9,273	(\$ 4,095)	\$ 32,103
Vehicles	<u>17,538</u>	<u>---</u>	<u>---</u>	<u>17,538</u>
	<u>44,463</u>	<u>9,273</u>	<u>(4,095)</u>	<u>49,641</u>

Total capital assets at cost

Less: Accumulated depreciation	( 34,247)	( 5,796)	4,095	( 35,948)
Total capital assets, net	\$ 10,216	\$ 3,477	\$ ---	\$ 13,693

**Total Component Unit Capital Assets at December 31, 2016**

**\$ 66,085,459**

## **NOTE 6 - EMPLOYEE RETIREMENT TRUST PLAN**

### Plan Description

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

### Plan Administration

The pension plan is administered by the County Retirement Board. Per the plan document, the Retirement board is comprised of five (5) individuals consisting of the three (3) county commissioners, the county controller and the county treasurer. The Retirement Board has the discretion and authority to interpret the Plan and to determine the eligibility and benefits of participants and beneficiaries pursuant to the provisions of the plan. On all such matters, the decision of a quorum of the then members of the Retirement Board shall govern and be binding upon the Employer, participants, and beneficiaries. The Retirement Board meets monthly during the year. However, the Retirement Board need not call or hold any meeting for the purpose of rendering decisions but such decisions may be evidenced by a written document designed by the members.

### Basis of Accounting

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

### Method Used to Value Investments

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

### Contributions

Plan members are required to contribute nine percent (9%) of their annual covered salary. The County contributions are determined as part of an annual actuarial valuation. Per Act 96 of 1971, as amended, contribution requirements of the plan members and the County are established and may be amended by the General Assembly of the Commonwealth of Pennsylvania. Administrative costs of the plan are financed through investment earnings.

### Membership

Membership of the plan consisted of the following at December 31, 2016, the date of the latest actuarial valuation:

Retirees and Beneficiaries Receiving Benefits	1,082
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	150
Active Plan Members	<u>660</u>
	<u>1,892</u>

### Actuarial Methods and Assumptions

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

Valuation Date:	December 31, 2016
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Market Value of Assets
Actuarial Assumptions:	
Investment Rate of Return	7.25%
Projected Salary Increases	3.50%
Mortality Rates	RP2000 with Scale AA Combined Healthy Mortality Tables for Males and Females

### Annual Pension Cost and Net Pension Obligation

The County's Annual Required Contribution for 2016 was determined as part of the December 31, 2015, actuarial valuation. The County's annual required contribution and net pension obligation to the Cambria County Employee's Retirement System were \$2,572,080 for 2016. The Entry Age Normal actuarial cost method was used to determine the annual required contribution.

### Funded Status and Funding Progress

As of December 31, 2016, the most recent actuarial valuation date, the Plan was valued under the Entry Age Actuarial Cost Method. Under this basis, the Plan was eighty-two percent (82%) funded. The Entry Age actuarial accrued liability for benefits was \$223.4 million, and the actuarial value of assets was \$184.0 million, resulting in an unfunded Entry Age actuarial accrued liability (UAAL) of \$39.4 million. The covered payroll (annual payroll of active employees covered by the Plan) was \$25.3 million and the ratio of the UAAL to the covered payroll was one hundred fifty-six percent (156%).

### Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

### Changes in the Net Pension Liability

	Increase/(Decrease) Plan		
	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances at 12/31/15	\$219,455,485	\$178,677,934	\$40,777,551
Changes for the year:			
Service cost	4,242,364	---	4,242,364
Interest	14,250,805	---	14,250,805
Difference between expected and actual experience	( 542,492)	---	( 542,492)
Contributions – employer	---	2,572,080	( 2,572,080)
Contributions – employee	---	2,700,332	( 2,700,332)
Net investment income	---	14,152,279	(14,142,279)
Benefit payments	( 14,043,814)	( 14,043,814)	---
Administrative expenses	---	( 94,473)	94,473
Net changes	3,906,863	5,286,404	( 1,379,541)
Balances at 12/31/16	\$223,362,348	\$183,964,338	\$39,398,010

Since the prior measurement date of December 31, 2015, there were no changes to any assumptions.

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

The following presents the net pension liability of the County, calculated using the discount rate of 7.25%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	Current Discount		
	-1% (6.25%)	Rate (7.25%)	+1% (8.25%)
Net pension liability	\$59,121,571	\$39,398,010	\$22,813,066

### Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2016, the County recognized pension expense of \$8,265,463. At December 31, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ ---	(\$ 412,435)
Change of assumptions	3,884,237	---
Net difference between projected and actual earnings on pension plan investments	10,254,502	( 1,211,115)
Total	<u>\$14,138,739</u>	<u>(\$ 1,623,550)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2017	\$5,016,536
2018	5,016,536
2019	2,784,898
2020	(302,779)

### Rate of Return on Investments

For the 2016 measurement period, the annual money-weighted rate of return on the County's pension plan investments, net of pension plan investment expense, was 8.12%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

### Investment Policy

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>December 31, 2016 Actual Allocation</u>
Equities	60.0%	65.7%
Fixed Income	36.0%	23.1%
Master Limited Partnerships	0.0%	6.6%
Real Estate	4.0%	4.0%
Cash and Equivalents	<u>0.0%</u>	<u>0.6%</u>
 TOTAL	 <u>100.0%</u>	 <u>100.0%</u>

#### Concentrations

As of December 31, 2016, the pension plan held the following investments that represented five percent (5%) or more of the pension plan's fiduciary net position:

<u>Investment</u>	<u>Balance</u>
Vanguard Russell 1000 Growth Index Instl	\$ 30,103,480
Vanguard Russell 1000 Value Index Instl	\$ 32,758,411
Ironside Fund III LP	\$ 12,176,628

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

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

### Plan Description

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

### Funding Policy

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

## Annual OPEB Cost and Net OPEB Obligation

The County's annual other post-retirement benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty (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	\$ 3,788,722
Interest on Net OPEB Obligation	(24,602)
Adjustment to Annual Required Contribution	<u>24,150</u>
Annual OPEB Cost (Expense)	3,788,270
Contributions Made or Accrued	<u>(3,526,240)</u>
Increase in Net Obligation	262,030
Net OPEB (Asset) 1/1/2016	<u>(339,324)</u>
 Net OPEB (Asset) 12/31/2016	 \$ <u>(77,294)</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016 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>
12/31/16	\$3,788,271	93.1%	\$ (77,294)
12/31/15	\$2,997,884	116.4%	\$ (339,324)
12/31/14	\$3,376,003	97.1%	\$ 150,978
12/31/13	\$3,243,289	97.1%	\$ 52,526
12/31/12	\$2,939,294	101.7%	\$ (40,333)
12/31/11	\$2,811,294	100.6%	\$ 11,031

### Funded Status and Funding Progress

As of December 31, 2016, the most recent measurement date, the plan was 0% funded. The actuarial accrued liability for benefits was \$48,742,422 and the actuarial value of assets was \$0 resulting in an unfunded actuarial accrued liability (UAAL) of \$48,742,422. The estimated covered payroll (annual payroll of active employees covered by the plan) was \$27,716,366 and the ratio of the UAAL to the covered payroll was one hundred seventy-six percent (176%).

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



## Actuarial Methods and Assumptions

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

The December 31, 2016, valuation was based on the projected unit credit actuarial cost method. The actuarial assumptions included a 7.25% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan assets at the valuation date, and an annual healthcare cost trend rate of 6.0% initially for pre-65 costs (5.0% for post-65 costs), reduced by decrements to an ultimate rate of five percent (5%) in 2018 and later. The UAAL is being amortized as a level percentage of payroll on an open basis over twenty (20) years.

## **NOTE 8 - RISK MANAGEMENT**

### Workers' Compensation

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

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

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

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

The accrued liability for workers' compensation is determined by an actuary in accordance with actuarial principles. There have been no changes in insurance coverage, retention limits or excess loss policies from the prior year. During 2016, a case exceeded the loss limit and all payments are reimbursed to the County on quarterly basis.

The accrued workers' compensation self-insurance liability at December 31, 2016, is \$393,325, 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, 2016 and 2015:

<u>Year</u>	<u>January 1, Liability</u>	<u>Net Incurred/(Settled) Claims</u>	<u>Payments</u>	<u>December 31, Liability</u>
2016	\$ <u>422,951</u>	(\$ <u>939,554</u> )	\$ <u>909,928</u>	\$ <u>393,325</u>
2015	\$ <u>527,637</u>	(\$ <u>548,719</u> )	\$ <u>444,033</u>	\$ <u>422,951</u>

#### Medical Insurance

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

## **NOTE 9 - CAPITAL CONTRIBUTIONS**

### **Component Units**

Summaries of the component units' capital contributions as of December 31, 2016, follow:

#### **Municipal Airport Authority**

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

Grants, entitlements, shared revenues and the fair market value of donated property are reported in the Statement of Revenues, Expenses, and Changes in Net Position, after non-operating revenues and expenses as capital contributions which amounted to \$1,699,407 at December 31, 2016.

### **Transit Authority**

Capital grant contributions from federal and state governments amounted to \$645,028 for the Transit Authority at June 30, 2016.

### **Community College**

Capital grant contributions from federal and state governments amounted to \$35,967 for the College at June 30, 2016. This amount represents Perkins Grant funds received and used to purchase welding equipment for the College's Welding program.

### **War Memorial Arena Authority**

Capital contributions to proprietary funds amounted to \$223,097 for the War Memorial Area Authority at December 31, 2016.

## **NOTE 10 – LONG-TERM OBLIGATIONS**

Long-term liability activity for the year ended December 31, 2016, was as follows:

	<u>Balance 12/31/15</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/16</u>	<u>Amounts Due Within One Year</u>
<b>Governmental Activities:</b>					
Bonds and Notes Payable:					
2014 General Obligation Bonds	\$ 41,639,768	\$ ---	(\$ 14,952,270)	\$ 26,687,498	\$ 2,573,637
2015 General Obligation Bond	47,655	---	( 9,097)	38,558	9,398
2015 General Obligation Bond	49,132	---	( 9,377)	39,755	9,687
2016 General Obligation Notes	---	17,912,883	---	17,912,883	32,637
Other Liabilities:					
Accrued Vacation	1,762,991	---	( 61,806)	1,701,185	1,701,185
Accrued Sick Pay	478,894	---	( 85,573)	393,321	---
OPEB Obligation	(339,324)	262,030	---	( 77,294)	---
Estimated Workers' Compensation Liability	<u>422,951</u>	<u>---</u>	<u>( 29,626)</u>	<u>393,325</u>	<u>---</u>
Governmental Activities Long-term Liabilities	<u>\$ 44,062,067</u>	<u>\$ 18,174,913</u>	<u>(\$ 15,147,749)</u>	<u>\$ 47,089,231</u>	<u>\$ 4,326,544</u>

	<u>Balance 12/31/15</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/16</u>	<u>Amounts Due Within One Year</u>
<b>Business-type Activities:</b>					
Bonds and Notes Payable:					
2014 General Obligation Bonds	\$ 3,015,233	---	(\$ 1,082,731)	\$ 1,932,502	\$ 186,363
2016 General Obligation Bonds	---	1,297,117	---	1,297,117	2,363
Other Liabilities:					
Accrued Vacation Pay	10,947	---	( 2,467)	8,480	8,840
Accrued Sick Pay	<u>6,672</u>	<u>---</u>	<u>( 4,051)</u>	<u>2,621</u>	<u>---</u>
Business-type Activities Long-term Liabilities	<u>\$ 3,032,852</u>	<u>\$ 1,297,117</u>	<u>(\$ 1,089,249)</u>	<u>\$ 3,240,720</u>	<u>\$ 1,889,911</u>

### **Description of Debt**

Pertinent information regarding general obligation debt outstanding is presented below:

#### **General Obligation Bonds, Series of 2014**

In August 2014, the County issued General Obligation Bonds, Series of 2014, in the amount of \$48,625,000 with an interest rate ranging from 3.0% to 5.0%, resulting in an effective interest rate of 4.684%. The proceeds of the bonds were used for the current refunding of the General Obligation Notes, Series of 2006, Tax Exempt Bank Loan, Series of 2006, General Obligation Note, Series of 2011, Series 2006 A and 2006B Lease Revenue Notes, 2013 Upper Yoder Township Authority Lease Revenue Note, and to pay the costs of issuing the bonds. In addition, a portion of the proceeds were used to advance refund the 2007 Cambria County General Financing Authority lease purchase agreement by establishing a separate irrevocable trust. \$6,871,930 was transferred into the trust and used to purchase investments. The investments and fixed earnings from the investments are sufficient to fully secure the defeased debt until the debt is called or matures. In July 2016, a portion of the General Obligation Bonds, Series of 2014, were currently refunded by the issuance of General Obligation Notes, Series A/B of 2016.

#### **General Obligation Bond, Series A of 2015**

In November 2015, the County issued General Obligation Bond, Series A of 2015, in the amount of \$49,900 with an interest rate of 3.25%. Principal and interest are payable in sixty (60) monthly payments. The debt was issued through the United States Department of Agriculture Rural Housing Service in conjunction of a federal grant.

### General Obligation Bond, Series C of 2015

In November 2015, the County issued General Obligation Bond, Series C of 2015, in the amount of \$48,400 with an interest rate of 3.25%. Principal and interest are payable in sixty (60) monthly payments. The debt was issued through the United States Department of Agriculture Rural Housing Service in conjunction of a federal grant.

### General Obligation Notes, Series A/B 2016

In July 2016, the County issued General Obligation Notes, Series A of 2016, and General Obligation Notes, Series B of 2016 in the total amount of \$19,210,000 with an interest rate ranging from 1.4% to 3.91%, resulting in an effective interest rate of 3.5%. The proceeds of the bonds were used to refund, on a current refunding basis, a portion of the County's August 1, 2016 debt service payment in respect to its General Obligation Bonds, Series of 2014 and to pay the cost of issuance. In addition, a portion of the proceeds were used to advance refund a portion of the General Obligation Bonds, Series of 2014 that mature in 2017 through 2023 by establishing a separate irrevocable trust. \$13,366,140 was transferred into the trust and used to purchase investments. The investments and fixed earnings from the investments are sufficient to fully secure the defeased debt until the debt is called or matures.

The difference between the cash flows required to service the old debt and the cash flows required to service the new debt increased by \$7,125,307. The economic loss resulting from this transaction amounted to \$2,271,080.

### 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.

	Principal Requirements	Interest Requirements	Total Debt Service Requirements
<b>2014 General Obligation Bond</b>			
<u>Years Ending December 31:</u>			
2017	\$ 2,760,000	\$ 1,856,200	\$ 4,616,200
2018	2,895,000	1,676,400	4,571,400
2019	3,015,000	1,489,200	4,504,200
2020	3,135,000	1,293,600	4,428,600
2021	3,290,000	1,038,100	4,328,100
2022-2026	10,400,000	2,069,300	12,469,300
2027-2030	<u>3,125,000</u>	<u>327,500</u>	<u>3,452,500</u>
	<u>\$ 28,620,000</u>	<u>\$ 9,750,300</u>	<u>\$ 38,370,300</u>
To be Retired by:			
Business-Type Activities	\$ 1,932,502	\$ 658,367	\$ 2,590,869
Governmental Activities	<u>26,687,498</u>	<u>9,091,933</u>	<u>35,779,431</u>
	<u>\$ 28,620,000</u>	<u>\$ 9,750,300</u>	<u>\$ 38,370,300</u>

**2016 General Obligation Notes**Years Ending December 31:

2017	\$ 35,000	\$ 683,452	\$ 718,452
2018	30,000	664,289	694,289
2019	25,000	663,683	688,683
2020	25,000	663,157	688,157
2021	30,000	662,524	692,524
2022-2026	8,670,000	3,011,744	11,681,744
2027-2030	<u>10,395,000</u>	<u>696,454</u>	<u>11,091,454</u>

	<u>\$ 19,210,000</u>	<u>\$ 7,045,303</u>	<u>\$ 26,255,303</u>
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## To be Retired by:

Business-Type Activities	\$ 1,297,117	\$ 475,720	\$ 1,772,837
Governmental Activities	<u>17,912,883</u>	<u>6,569,583</u>	<u>24,482,466</u>

	<u>\$ 19,210,000</u>	<u>\$ 7,045,303</u>	<u>\$ 26,255,303</u>
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**NOTE 11 – SHORT-TERM OBLIGATIONS**General Obligation Note, Series B of 2015

In October 2015, the County issued General Obligation Note, Series B of 2015, in the amount of \$11,696,916 with an interest rate ranging from 1.25% to 7.5%. The proceeds of the note were used for general operations of the County during the time of the State budget impasse. The note had a six (6) month maturity period, and is due in April 2016. The note was paid off in full in May 2016.

**NOTE 12 - CAPITAL LEASES**

	<u>Balance 12/31/15</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/16</u>	<u>Amounts Due Within One Year</u>
<b>Governmental Activities:</b>					
Capital Leases:					
2008 Equipment Lease	\$ 399,199	---	(\$ 38,914)	\$ 360,285	\$ 42,397
2009 Equipment Lease	<u>2,400</u>	<u>---</u>	( <u>2,400</u> )	<u>---</u>	<u>---</u>
Governmental Activities Capital Leases	<u>\$ 401,519</u>	<u>\$ ---</u>	<u>(\$ 41,314)</u>	<u>\$ 360,285</u>	<u>\$ 42,397</u>

**Description of Leases**Former Laurel Crest Rehabilitation and Special Care Center Leases

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 one hundred eighty (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 eighty-four (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. The lease liability was paid off in 2016.

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.

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

2017	\$ 42,397
2018	46,166
2019	50,164
2020	54,395
2021	58,862
Thereafter	<u>108,301</u>
	<u>\$ 360,285</u>
To be Retired by:	
Government Type Activities	<u>\$ 360,285</u>

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

### **Component Units**

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

##### **Guarantees of Indebtedness**

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

## **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 1<sup>st</sup> 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 (10) unused days accumulate in a PTO rollover bank up to a maximum of fifty (50) days. If the employee would leave employment, they are paid for any unused PTO days at fifty percent (50%) of their value.

### Sick Pay

County union employees may accumulate their unused sick days up to a maximum of one hundred fifty (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, 2016, the following funds' expenditures exceeded budget by the following amounts:

<u>Fund</u>	<u>Amount</u>
Dirt and Gravel	\$ 3,921
Hotel Tax	\$ 274,795
Drug and Alcohol	\$ 35,757
Human Services	\$ 7,828
Debt Service	\$ 10,542,733
Health Care Self Insurance	\$ 1,120,340

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, 2016.

<u>Fund</u>	<u>Amount</u>
General	\$ 1,734,324
Booking Center	\$ 611,349
Parks and Playground	\$ 43,116

## 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>64,200</u>
Redevelopment Authority of Cambria County	\$ <u>60,000</u>
Cambria Library Association	\$ <u>615,000</u>
Johnstown-Cambria County Airport Authority	\$ <u>174,000</u>
Cambria County Transit Authority	\$ <u>732,383</u>
Cambria County Solid Waste Management Authority	\$ <u>340,700</u>
Cambria County Conservation and Recreation Authority	\$ <u>200,000</u>

Pennsylvania Highlands Community College	\$ <u>1,288,521</u>
Cambria County War Memorial Arena Authority	\$ <u>381,687</u>

**County Appropriations to Related Organizations:**

Cambria County Child Development Corp.	\$ <u>3,458,359</u>
Cambria Somerset Authority	\$ <u>47,550</u>

**Cambria Library Association**

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

**County Loans to Related Organizations:**

In August of 2011, the County entered into a loan agreement with the Cambria Somerset Authority whereby the County agreed to advance the Authority such amounts as may be necessary for the Authority to make their bond payments. The amounts advanced for 2011 through 2015 totaled \$1,600,381. The County advanced an additional \$176,923 in 2016, resulting in a total loan receivable balance of \$1,777,304 as of December 31, 2016. 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**

**Amendment**

On July 10, 2014, the Authority and SMG amended the original management agreement to extend the management term from July 1, 2014 to June 30, 2019.

**Management Fees**

The base management fee will be paid in monthly installments of \$7,000 plus CPI adjustment for each fiscal year.

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 fifteen percent (15%) of the operating revenues for each fiscal year not to exceed the lower of one hundred percent (100%) of the annual base fee or net operating profit for each fiscal year. The incentive fee is due thirty (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. No incentive fee was due for the years ended June 30, 2016 and 2015.

### 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 \$135,000 to be used to pay the entire unpaid Johnstown amusement tax for the Arena and to fund OSHA regulatory compliance programs and other improvements in fiscal year 2015.

### Management and Other Payable to SMG Settlement

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

The first and sole payment to SMG under this agreement was made in fiscal year 2016, rendering the Authority's payments delinquent by one year as of June 30, 2016 and 2015. The balance due to SMG was \$196,797 and \$218,630 at June 30, 2016 and 2015, respectively.

### 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 accounts are recorded as an asset, cash held for clients as representative payee and guardianship program of \$329,349 as of December 31, 2016. An offsetting liability is recorded, reserved cash held for clients as representative payee and guardianship program, in the accompanying governmental funds balance sheet.

## **NOTE 19 - COMMITMENTS AND CONTINGENCIES**

### Taxes Paid Under Protest

Duke LifePoint Conemaugh Hospital has filed appeals regarding the tax assessments for approximately fifty (50) of its properties for 2015 and 2016. As required by law, the County deposited the tax payments of \$764,706 into a separate cash account representing funds to be held under protest. During 2016, \$22,586 was refunded to Duke LifePoint for a specific property. Also during 2016, the appeals were settled. Under the terms of the settlement, the total net refunds due to Duke LifePoint for all parcels and both tax years is \$1,059,714. Subsequent to year end, the \$764,706 held in escrow was refunded to Duke LifePoint. A credit of \$155,601 will be applied to tax year 2017 and a credit of \$155,601 will be applied to tax year 2018, of which both amounts are presented as an accrued liability in the accompanying financial statements.

### 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**

The County has restated beginning net position and fund balance as of January 1, 2016, to reflect the effects of an accrual of 2015 Act 12 funds in the 911 Emergency Communication Fund, resulting in a reduction in the necessary County match from the general fund. The impact on beginning net position and fund balance was an increase of \$704,967.

## **NOTE 21 - SUBSEQUENT EVENTS**

### Tax Anticipation Note

In January 2017, the County issued a tax and revenue anticipation note of \$10,000,000 with an interest rate of 1.47%. The due date of the note was December 31, 2017, however, the note was paid in full in May of 2017.

### Tax Rates

Effective January 1, 2017, the County approved a millage decrease on property taxes within the County. The approval reflects a .5 mill decrease from 34.5 mills to 34.0 mills.

Subsequent events were evaluated through June 15, 2017, the date the financial statements were available to be issued.

REQUIRED  
SUPPLEMENTARY  
INFORMATION

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total pension liability										
Service cost	\$ 4,242,364	\$ 4,275,209	\$ 4,161,171							
Interest	14,250,805	13,741,605	13,437,290							
Differences between expected and actual experience	(542,492)	(11,131)	-							
Change in assumptions	-	7,768,474	-							
Benefit payments	(14,043,814)	(13,084,781)	(12,117,503)							
Net change in pension liability	3,906,863	12,689,376	5,480,958	-	-	-	-	-	-	-
Total pension liability/(asset) - beginning	219,455,485	206,766,109	201,285,151							
Total pension liability/(asset) - ending (A)	\$ 223,362,348	\$ 219,455,485	\$ 206,766,109	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position										
Contributions - employer	2,572,080	2,273,003	2,313,521	2,203,855	2,251,888	2,146,500	2,265,930	1,695,028	255,108	806,997
Contributions - member	2,700,332	2,747,588	2,697,915	2,643,996	2,605,602	2,559,625	2,523,952	3,555,827	3,719,319	3,644,657
Net investment income	14,152,279	(2,241,937)	12,086,403	27,949,301	15,323,823	128,307	17,457,428	19,803,345	(41,238,699)	12,267,754
Benefit payments	(14,043,814)	(13,084,781)	(12,117,503)	(12,136,736)	(11,216,503)	(10,176,963)	(10,927,356)	(9,014,253)	(7,360,486)	(7,387,345)
Administrative expenses	(94,473)	(84,377)	(80,771)	(85,507)	(91,459)	(87,181)	(89,395)	(66,835)	(59,665)	(62,395)
Other	-	-	-	(110,089)	10,872	(26,188)	7,354	(19,357)	(302,904)	317,139
Net change in plan fiduciary net position	5,286,404	(10,390,504)	4,899,565	20,464,820	8,884,223	(5,455,900)	11,237,913	15,953,755	(44,987,327)	9,586,807
Plan fiduciary net position - beginning	178,677,934	189,068,438	184,168,873	163,704,053	154,819,830	160,275,730	149,037,817	133,084,062	178,071,389	168,484,582
Plan fiduciary net position - ending (B)	\$ 183,964,338	\$ 178,677,934	\$ 189,068,438	\$ 184,168,873	\$ 163,704,053	\$ 154,819,830	\$ 160,275,730	\$ 149,037,817	\$ 133,084,062	\$ 178,071,389
County's net pension liability/(asset) - ending (A-B)	\$ 39,398,010	\$ 40,777,551	\$ 17,697,671							
Plan fiduciary net position as a percentage of the total pension liability	82%	81%	91%							
Covered employee payroll	\$ 25,305,286	\$ 25,770,772	\$ 26,196,931	\$ 23,984,033	\$ 24,987,019	\$ 25,387,686	\$ 25,223,262	\$ 25,894,346	\$ 36,848,427	\$ 38,075,893
County's net pension liability as a percentage of covered employee payroll	156%	158%	68%							

**Notes to Schedule:**

The years presented in this schedule are all the years in which information is available; the net change in pension liability was not available prior to 2014 and the implementation of GASB 67.

See Independent Auditor's Report

COUNTY OF CAMBRIA  
EMPLOYEE RETIREMENT PLAN  
SCHEDULE OF COUNTY CONTRIBUTIONS

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Actuarially determined contribution	\$ 2,572,080	\$ 2,273,003	\$ 2,313,521	\$ 2,203,855	\$ 2,251,888	\$ 2,146,500	\$ 2,265,930	\$ 1,695,028	\$ 255,108	\$ 806,997
Contributions in relation to the actuarially determined contributions	2,572,080	2,273,003	2,313,521	2,203,855	2,251,888	2,146,500	2,265,930	1,695,028	255,108	806,997
Contribution deficiency/(excess)	-	-	-	-	-	-	-	-	-	-
Covered employee payroll	\$25,770,772	\$26,196,931	\$24,983,033	\$24,987,019	\$25,387,686	\$25,223,262	\$25,896,346	\$36,848,427	\$38,075,893	\$37,188,781
County's contributions as a percentage of covered employee payroll	9.98%	8.68%	9.26%	8.82%	8.87%	8.51%	8.75%	4.60%	0.67%	2.17%

**Notes to Schedule:**

Valuation Date:

12/31/2016

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Straight line
Remaining amortization period	25 years
Asset valuation method	Market value of assets
Inflation	N/A
Salary increases	3.5%
Investment rate of return	7.25%
Retirement age	Age 60, or age 55 with twenty years of service
Mortality	See accompanying footnotes to the financial statements.

Note: The years presented in this schedule are all of the years in which information is available.



COUNTY OF CAMBRIA  
EMPLOYEE RETIREMENT PLAN  
SCHEDULE OF INVESTMENT RETURNS

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Annual money-weighted rate of return, net of investment expense	8.12%	-1.21%	6.69%	17.81%	10.44%	0.36%	12.30%	15.56%	-23.18%	8.23%

See Independent Auditor's Report

COUNTY OF CAMBRIA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
<b>Revenues</b>				
Real estate taxes	\$ 42,967,620	\$ 42,967,620	\$ 42,791,935	\$ (175,685)
Charges for services	7,698,510	7,813,865	8,153,712	339,847
Interest and investment income	11,000	11,000	22,068	11,068
Intergovernmental revenues	8,927,383	10,213,913	10,136,030	(77,883)
Other	602,688	602,688	519,377	(83,311)
Total Revenues	60,207,201	61,609,086	61,623,122	14,036
<b>Expenditures</b>				
General government - Administrative	7,465,301	8,210,933	6,818,999	1,391,934
General government - Judicial	8,920,006	9,036,008	8,296,815	739,193
Public safety	5,793,317	6,053,132	6,503,691	(450,559)
Corrections	13,396,592	13,627,450	13,060,730	566,720
Public works	1,113,087	1,153,482	1,153,459	23
Human services	4,730,000	4,730,000	4,803,082	(73,082)
Culture and recreation	909,170	918,270	626,000	292,270
Conservation and development	1,611,347	1,653,638	1,302,855	350,783
Employee benefits	3,033,000	3,077,090	3,119,305	(42,215)
Debt service	103,530	103,530	162,682	(59,152)
Total Expenditures	47,075,350	48,563,533	45,847,618	2,715,915
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	13,131,851	13,045,553	15,775,504	2,729,951
<b>Other Financing Sources/(Uses)</b>				
Operating transfers in	219,150	219,150	149,885	(69,265)
Operating transfers (out)	(13,351,001)	(13,304,831)	(10,325,770)	2,979,061
Total Other Financing Sources/(Uses)	(13,131,851)	(13,085,681)	(10,175,885)	2,909,796
Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	-	(40,128)	5,599,619	5,639,747
Fund Balance/(Deficit) - Beginning of Year	-	-	(8,579,632)	(8,579,632)
Prior Period Adjustment (Note 21)	-	-	704,697	704,697
Fund Balance/(Deficit) - Beginning of Year, as restated	-	-	(7,874,935)	(7,874,935)
Fund Balance/(Deficit) - End of Year	\$ -	\$ (40,128)	\$ (2,275,316)	\$ (2,235,188)

COUNTY OF CAMBRIA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - HEALTH CHOICES FUND  
FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
Revenues				
Intergovernmental revenues	\$ 27,000,000	\$ 27,000,000	\$ 40,443,862	\$ 13,443,862
Charges for services	-	-	-	-
Interest and investment income	100	100	297	197
Other income	-	-	-	-
Total Revenues	27,000,100	27,000,100	40,444,159	13,444,059
Expenditures				
Human services	27,000,000	27,000,000	40,444,159	(13,444,159)
Total Expenditures	27,000,000	27,000,000	40,444,159	(13,444,159)
(Deficiency)/Excess of Revenue Over/(Under)				
Expenditures	100	100	-	(100)
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	100	100	-	(100)
Fund Balance/(Deficit) - Beginning of Year	-	-	-	-
Fund Balance - End of Year	\$ 100	\$ 100	\$ -	\$ (100)

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, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
Revenues				
Intergovernmental revenues	\$ 8,783,971	\$ 8,783,971	\$ 9,272,254	\$ 488,283
Charges for services	149,101	149,101	120,991	(28,110)
Interest and investment income	-	-	-	-
Other income	-	-	-	-
Total Revenues	8,933,072	8,933,072	9,393,245	460,173
Expenditures				
Human services	10,661,413	10,661,413	10,638,277	23,136
Total Expenditures	10,661,413	10,661,413	10,638,277	23,136
(Deficiency)/Excess of Revenue Over/(Under)				
Expenditures	(1,728,341)	(1,728,341)	(1,245,032)	483,309
Other Financing Sources/(Uses)				
Operating transfers in	1,728,341	1,728,341	1,245,032	(483,309)
Operating transfers (out)	-	-	-	-
Total Other Financing Sources/ (Uses)	1,728,341	1,728,341	1,245,032	(483,309)
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	\$ -	\$ -	\$ -	\$ -

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, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
Revenues				
Intergovernmental revenues	\$ 8,774,885	\$ 8,774,885	\$ 8,079,358	\$ (695,527)
Charges for services	900,000	900,000	1,396,733	496,733
Interest and investment income	-	-	2,567	2,567
Other income	-	-	1,829	1,829
Total Revenues	9,674,885	9,674,885	9,480,487	(194,398)
Expenditures				
Human services	10,024,885	10,024,885	9,891,415	133,470
Total Expenditures	10,024,885	10,024,885	9,891,415	133,470
(Deficiency)/Excess of Revenue Over/(Under)				
Expenditures	(350,000)	(350,000)	(410,928)	(60,928)
Other Financing Sources/(Uses)				
Operating transfers in	350,000	350,000	410,928	60,928
Operating transfers (out)	-	-	-	-
Total Other Financing Sources/ (Uses)	350,000	350,000	410,928	60,928
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	\$ -	\$ -	\$ -	\$ -

See Independent Auditor's Report

COUNTY OF CAMBRIA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - DEBT SERVICE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
Revenues				
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Interest and investment income	-	-	-	-
Other income	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Debt service	6,379,143	6,379,143	5,969,934	409,209
Total Expenditures	6,379,143	6,379,143	5,969,934	409,209
(Deficiency)/Excess of Revenue Over/(Under)				
Expenditures	(6,379,143)	(6,379,143)	(5,969,934)	409,209
Other Financing Sources/(Uses)				
Proceeds from bond refunding	-	-	17,912,884	17,912,884
Bond discount	-	-	(81,509)	(81,509)
Bond issuance costs	(83,300)	(83,300)	(414,806)	(331,506)
Payment to refunding escrow agent	-	-	(12,463,618)	(12,463,618)
Operating transfers in	6,462,443	6,462,443	3,578,329	(2,884,114)
Operating transfers (out)	-	-	-	-
Total Other Financing Sources/ (Uses)	6,379,143	6,379,143	8,531,280	2,152,137
Excess of Revenues and Other Financing Sources Over/(Under)				
Expenditures and Other Financing Uses	-	-	2,561,346	(2,561,346)
Fund Balance/(Deficit) - Beginning of Year	-	-	-	-
Fund Balance - End of Year	\$ -	\$ -	\$ 2,561,346	\$ (2,561,346)

SUPPLEMENTARY  
INFORMATION

## COUNTY OF CAMBRIA NONMAJOR FUNDS

The following are the County's nonmajor funds, for the year ending December 31, 2016:

### **SPECIAL REVENUE FUNDS:**

**911 EMERGENCY COMMUNICATIONS FUND:** The 911 fund is funded by fees collected on all phone lines (wireline, wireless and VoIP (Voice over IP)) in the County. In June 2015, the state increased the fee to \$1.65 for every line effective 7/1/2015. The fee is collected by each local telephone company and remitted monthly to PEMA at the Commonwealth of Pennsylvania. PEMA quarterly remits a portion of the fees to each County to be used to run the entire emergency communications including 911 call answering, dispatch, etc.

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

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

**DETENTION/SHELTER FUND:** This program is funded by contracts with nineteen (19) counties, including Cambria County, to house delinquent children. The Detention Home is a 24-hour maximum security facility for youth ages 10-18. The Shelter is a 24-hour staff security facility for youth ages 10-18 with a thirty (30) day limit. The Shelter was closed on June 30, 2016.

**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.

**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.

**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.



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

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

**EMERGENCY MANAGEMENT AGENCY FUND (EMA):** This department was included in the 911 Fund from 2012 to 2015 when it was segregated to better track the costs associated with the agency. The agency coordinates efforts with PEMA (Pennsylvania Emergency Management Agency) and FEMA (Federal Emergency Management Agency). They provide comprehensive planning and operational readiness to municipalities, groups, businesses and individuals in preparing for, supporting, and recovering from the impact of natural or man-made disasters. In addition the department oversees the response and mitigation of the impact of hazardous materials and other community risk incidents. The funding for the department comes from Federal and State grants in addition funding from the General Fund.

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

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

**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.

**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.

**MENTAL HEALTH COURT:** The Mental Court was formed in 2015 as a special court to process individuals who have committed a crime and have been evaluated with a Mental Health problem. A plan is designed to treat the individual. The defendant is charged a fee on a case by case level determined by the Judge. The defendant is given treatment through local Behavioral Health agency and they must meet with the Judge on a weekly basis who oversees their case.

**COUNTY RECORDS IMPROVEMENT FUND:** The Cambria County Recorder of Deeds collects a \$5 fee on each recorded deed. Two dollars (\$2) 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.

**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).

**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).

**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).

**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.

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

**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.

**HOTEL TAX FUND:** Each hotel in Cambria County is responsible for collecting a three percent (3%) room tax, which increased to five percent (5%), effective June 1, 2016, 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.

**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.

**ACT 13 FUND:** Pennsylvania Act 13 of 2012 (Impact Fee) provides for the imposition of an unconventional gas well fee (or impact fee) and these fees are distributed to local and state governments. A portion of the fees established a Marcellus Legacy Fund to be allocated to the Highway Bridge Improvement. The funds under the Marcellus Legacy Funds are distributed to Counties proportionately based on population. The funds are used to replace or repair locally owned, at-risk, deteriorated bridges.

**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.

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

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

**FOSTER GRANDPARENTS FUND:** The Foster Grandparent program receives federal funding through the National Senior Service Corporation. The program is made up of individuals sixty (60) years and older who volunteer twenty (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.

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

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

**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.

COUNTY OF CAMBRIA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2016

	911 Emergency Communication Fund	Domestic Relations Office Fund	Juvenile Probation Fund
<u>ASSETS AND DEFERRED OUTFLOWS</u>			
Assets			
Cash and cash equivalents	\$ 342,443	\$ 416,059	\$ -
Cash Held for Clients as Representative Payee and Guardianship Program (Note 18)	-	-	-
Accounts receivable	695,083	-	-
Due from other governments	-	322,851	427,550
Due from other funds	-	-	148,141
	<u>-</u>	<u>-</u>	<u>148,141</u>
Total Assets and Deferred Outflows	<u>\$ 1,037,526</u>	<u>\$ 738,910</u>	<u>\$ 575,691</u>
<u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</u>			
Liabilities			
Accounts payable and accrued liabilities	\$ 315,297	\$ 80,620	\$ 199,818
Reserved Cash Held for Clients as Representative Payee and Guardianship Program (Note 18)	-	-	-
Due to other governments	-	-	252,706
Due to other funds	285,446	387,446	-
	<u>285,446</u>	<u>387,446</u>	<u>-</u>
Total Liabilities	<u>600,743</u>	<u>468,066</u>	<u>452,524</u>
Deferred Inflows			
Unearned revenues	436,783	270,844	123,167
	<u>436,783</u>	<u>270,844</u>	<u>123,167</u>
Fund Balance			
Unassigned	-	-	-
Assigned	-	-	-
Restricted (Note 1I)	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 1,037,526</u>	<u>\$ 738,910</u>	<u>\$ 575,691</u>

COUNTY OF CAMBRIA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2016

	Detention/ Shelter Fund	Booking Center Fund	Dirt and Gravel Road Fund	Farmland Preservation Fund
<u>ASSETS AND DEFERRED OUTFLOWS</u>				
Assets				
Cash and cash equivalents	\$ -	\$ 98	\$ -	\$ 5,950
Cash Held for Clients as Representative Payee and Guardianship Program (Note 18)	-	-	-	-
Accounts receivable	-	16,497	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	7,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,000</u>
Total Assets and Deferred Outflows	<u>\$ -</u>	<u>\$ 16,595</u>	<u>\$ -</u>	<u>\$ 12,950</u>
<u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</u>				
Liabilities				
Accounts payable and accrued liabilities	\$ -	\$ 9,650	\$ -	\$ 3,500
Reserved Cash Held for Clients as Representative Payee and Guardianship Program (Note 18)	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	618,294	-	-
	<u>-</u>	<u>618,294</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>627,944</u>	<u>-</u>	<u>3,500</u>
Deferred Inflows				
Unearned revenues	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance				
Unassigned	-	(611,349)	-	-
Assigned	-	-	-	9,450
Restricted (Note 11)	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balance	<u>-</u>	<u>(611,349)</u>	<u>-</u>	<u>9,450</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ -</u>	<u>\$ 16,595</u>	<u>\$ -</u>	<u>\$ 12,950</u>

COUNTY OF CAMBRIA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2016

	<u>HMERA Fund</u>	<u>SHARP Fund</u>	<u>Emergency Management Agency Fund</u>
<u>ASSETS AND DEFERRED OUTFLOWS</u>			
Assets			
Cash and cash equivalents	\$ 56,080	\$ 21,104	\$ 44,378
Cash Held for Clients as Representative Payee and Guardianship Program (Note 18)	-	-	-
Accounts receivable	-	-	-
Due from other governments	10,505	-	83,048
Due from other funds	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets and Deferred Outflows	<u>\$ 66,585</u>	<u>\$ 21,104</u>	<u>\$ 127,426</u>
<u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</u>			
Liabilities			
Accounts payable and accrued liabilities	\$ 18,528	\$ 521	\$ 17,427
Reserved Cash Held for Clients as Representative Payee and Guardianship Program (Note 18)	-	-	-
Due to other governments	-	-	-
Due to other funds	1	-	109,999
	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities	<u>18,529</u>	<u>521</u>	<u>127,426</u>
Deferred Inflows			
Unearned revenues	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
Fund Balance			
Unassigned	-	-	-
Assigned	48,056	20,583	-
Restricted (Note 11)	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
Total Fund Balance	<u>48,056</u>	<u>20,583</u>	<u>-</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 66,585</u>	<u>\$ 21,104</u>	<u>\$ 127,426</u>

COUNTY OF CAMBRIA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2016

	Driving Under the Influence Fund	Substance Abuse Fund	Jail/ Detention Fund	Protection From Abuse Fund
<u>ASSETS AND DEFERRED OUTFLOWS</u>				
Assets				
Cash and cash equivalents	\$ 70,183	\$ 332,665	\$ 32,148	\$ 28,254
Cash Held for Clients as Representative Payee and Guardianship Program (Note 18)	-	-	-	-
Accounts receivable	64,884	16,533	1,561	582
Due from other governments	-	-	-	-
Due from other funds	541,183	-	-	-
Total Assets and Deferred Outflows	<u>\$ 676,250</u>	<u>\$ 349,198</u>	<u>\$ 33,709</u>	<u>\$ 28,836</u>
<u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</u>				
Liabilities				
Accounts payable and accrued liabilities	\$ 7,491	\$ -	\$ -	\$ 900
Reserved Cash Held for Clients as Representative Payee and Guardianship Program (Note 18)	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	77,594	-	-
Total Liabilities	<u>7,491</u>	<u>77,594</u>	<u>-</u>	<u>900</u>
Deferred Inflows				
Unearned revenues	-	-	-	-
Fund Balance				
Unassigned	-	-	-	-
Assigned	668,759	271,604	33,709	27,936
Restricted (Note 1l)	-	-	-	-
Total Fund Balance	<u>668,759</u>	<u>271,604</u>	<u>33,709</u>	<u>27,936</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 676,250</u>	<u>\$ 349,198</u>	<u>\$ 33,709</u>	<u>\$ 28,836</u>

COUNTY OF CAMBRIA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2016

	Veteran's Court Fund	Mental Health Court Fund	County Records Improvement Fund	Clerk of Courts Automation Fund
<u>ASSETS AND DEFERRED OUTFLOWS</u>				
Assets				
Cash and cash equivalents	\$ 26,682	\$ 1,661	\$ 286,369	\$ 56,587
Cash Held for Clients as Representative Payee and Guardianship Program (Note 18)	-	-	-	-
Accounts receivable	240	340	-	-
Due from other governments	-	-	6,000	631
Due from other funds	-	-	5,501	-
Total Assets and Deferred Outflows	<u>\$ 26,922</u>	<u>\$ 2,001</u>	<u>\$ 297,870</u>	<u>\$ 57,218</u>
<u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</u>				
Liabilities				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 250
Reserved Cash Held for Clients as Representative Payee and Guardianship Program (Note 18)	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	14,699	-	-	250
Total Liabilities	<u>14,699</u>	<u>-</u>	<u>-</u>	<u>500</u>
Deferred Inflows				
Unearned revenues	-	-	-	-
Fund Balance				
Unassigned	-	-	-	-
Assigned	12,223	2,001	297,870	56,718
Restricted (Note 11)	-	-	-	-
Total Fund Balance	<u>12,223</u>	<u>2,001</u>	<u>297,870</u>	<u>56,718</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 26,922</u>	<u>\$ 2,001</u>	<u>\$ 297,870</u>	<u>\$ 57,218</u>



COUNTY OF CAMBRIA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2016

	Prothonotary Automation Fund	Register of Wills Automation Fund	Sheriff's Automation Fund	Coroner Vital Statistics
<u>ASSETS AND DEFERRED OUTFLOWS</u>				
Assets				
Cash and cash equivalents	\$ 18,039	\$ 28,921	\$ 39,405	\$ 17,336
Cash Held for Clients as Representative Payee and Guardianship Program (Note 18)	-	-	-	-
Accounts receivable	-	900	500	-
Due from other governments	780	-	-	-
Due from other funds	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets and Deferred Outflows	<u>\$ 18,819</u>	<u>\$ 29,821</u>	<u>\$ 39,905</u>	<u>\$ 17,336</u>
<u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</u>				
Liabilities				
Accounts payable and accrued liabilities	\$ 475	\$ 9,924	\$ -	\$ -
Reserved Cash Held for Clients as Representative Payee and Guardianship Program (Note 18)	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	475	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities	<u>950</u>	<u>9,924</u>	<u>-</u>	<u>-</u>
Deferred Inflows				
Unearned revenues	-	-	-	17,336
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Fund Balance				
Unassigned	-	-	-	-
Assigned	17,869	19,897	39,905	-
Restricted (Note 11)	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Fund Balance	<u>17,869</u>	<u>19,897</u>	<u>39,905</u>	<u>-</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 18,819</u>	<u>\$ 29,821</u>	<u>\$ 39,905</u>	<u>\$ 17,336</u>

COUNTY OF CAMBRIA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2016

	Liquid Fuels Tax Fund	Hotel Tax Fund	Parks & Playgrounds Fund	Act 13 Fund
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<u>ASSETS AND DEFERRED OUTFLOWS</u>				
Assets				
Cash and cash equivalents	\$ 1,285,357	\$ 27,878	\$ -	\$ 804,880
Cash Held for Clients as Representative				
Payee and Guardianship Program (Note 18)	-	-	-	-
Accounts receivable	-	126,082	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets and Deferred Outflows	<u>\$ 1,285,357</u>	<u>\$ 153,960</u>	<u>\$ -</u>	<u>\$ 804,880</u>
<u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</u>				
Liabilities				
Accounts payable and				
accrued liabilities	\$ -	\$ 153,959	\$ -	\$ -
Reserved Cash Held for Clients as Representative				
Payee and Guardianship Program (Note 18)	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	43,116	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities	<u>-</u>	<u>153,959</u>	<u>43,116</u>	<u>-</u>
Deferred Inflows				
Unearned revenues	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Fund Balance				
Unassigned	-	-	(43,116)	-
Assigned	-	1	-	-
Restricted (Note 11)	1,285,357	-	-	804,880
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Fund Balance	<u>1,285,357</u>	<u>1</u>	<u>(43,116)</u>	<u>804,880</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 1,285,357</u>	<u>\$ 153,960</u>	<u>\$ -</u>	<u>\$ 804,880</u>

COUNTY OF CAMBRIA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2016

	Affordable Housing Fund	Redevelopment Authority	Area Agency on Aging Fund	Foster Grand- Parents Fund
<u>ASSETS AND DEFERRED OUTFLOWS</u>				
Assets				
Cash and cash equivalents	\$ 89,622	\$ -	\$ 488,023	\$ 33,322
Cash Held for Clients as Representative Payee and Guardianship Program (Note 18)	-	-	320,008	-
Accounts receivable	-	-	-	-
Due from other governments	8,435	-	-	39,236
Due from other funds	-	-	876,079	-
	<u>-</u>	<u>-</u>	<u>876,079</u>	<u>-</u>
Total Assets and Deferred Outflows	<u>\$ 98,057</u>	<u>\$ -</u>	<u>\$1,684,110</u>	<u>\$ 72,558</u>
<u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</u>				
Liabilities				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 499,238	\$ 13,960
Reserved Cash Held for Clients as Representative Payee and Guardianship Program (Note 18)	-	-	320,008	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	26,497
	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,497</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>819,246</u>	<u>40,457</u>
Deferred Inflows				
Unearned revenues	-	-	864,864	32,101
	<u>-</u>	<u>-</u>	<u>864,864</u>	<u>32,101</u>
Fund Balance				
Unassigned	-	-	-	-
Assigned	98,057	-	-	-
Restricted (Note 1I)	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balance	<u>98,057</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 98,057</u>	<u>\$ -</u>	<u>\$1,684,110</u>	<u>\$ 72,558</u>

COUNTY OF CAMBRIA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2016

	Drug and Alcohol Fund	Human Services Fund	Capital Projects Fund	Total
<u>ASSETS AND DEFERRED OUTFLOWS</u>				
Assets				
Cash and cash equivalents	\$ 1,721	\$ 3,523	\$ 8,877	\$ 4,567,565
Cash Held for Clients as Representative Payee and Guardianship Program (Note 18)	-	-	-	320,008
Accounts receivable	93,971	39,908	-	1,057,081
Due from other governments	-	-	-	899,036
Due from other funds	367,782	13,680	-	1,959,366
Total Assets and Deferred Outflows	<u>\$ 463,474</u>	<u>\$ 57,111</u>	<u>\$ 8,877</u>	<u>\$ 8,803,056</u>
<u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</u>				
Liabilities				
Accounts payable and accrued liabilities	\$ 149,448	\$ 57,111	\$ -	\$ 1,538,117
Reserved Cash Held for Clients as Representative Payee and Guardianship Program (Note 18)	-	-	-	320,008
Due to other governments	-	-	-	252,706
Due to other funds	-	-	-	1,563,817
Total Liabilities	<u>149,448</u>	<u>57,111</u>	<u>-</u>	<u>3,674,648</u>
Deferred Inflows				
Unearned revenues	<u>314,026</u>	<u>-</u>	<u>-</u>	<u>2,059,121</u>
Fund Balance				
Unassigned	-	-	-	(654,465)
Assigned	-	-	8,877	1,633,515
Restricted (Note 11)	-	-	-	2,090,237
Total Fund Balance	<u>-</u>	<u>-</u>	<u>8,877</u>	<u>3,069,287</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 463,474</u>	<u>\$ 57,111</u>	<u>\$ 8,877</u>	<u>\$ 8,803,056</u>

COUNTY OF CAMBRIA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2016

	911 Emergency Communication Fund	Domestic Relations Office Fund	Juvenile Probation Fund
Revenues			
Intergovernmental revenues	\$ 2,777,582	\$ 1,384,771	\$ 1,290,508
Charges for services	-	15,503	-
Interest and investment income	2,810	102	-
Other income	5,593	-	38,695
Total Revenues	<u>2,785,985</u>	<u>1,400,376</u>	<u>1,329,203</u>
Expenditures			
General government - administrative	-	-	-
Human services	-	-	-
General government - judicial	-	2,420,382	-
Public safety	-	-	-
Corrections	-	-	3,301,840
Public works	-	-	-
Culture and recreation	-	-	-
Emergency communication services	3,311,871	-	-
Debt service	-	-	-
Conservation and development	-	-	-
Total Expenditures	<u>3,311,871</u>	<u>2,420,382</u>	<u>3,301,840</u>
(Deficiency)/Excess of Revenue Over/(Under) Expenditures	<u>(525,886)</u>	<u>(1,020,006)</u>	<u>(1,972,637)</u>
Other Financing Sources/(Uses)			
Operating transfers in	525,886	1,020,006	1,972,637
Operating transfers (out)	-	-	-
Total Other Financing Sources/ (Uses)	<u>525,886</u>	<u>1,020,006</u>	<u>1,972,637</u>
(Deficiency)/Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

COUNTY OF CAMBRIA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2016

	Detention/ Shelter Fund	Booking Center Fund	Dirt and Gravel Road Fund	Farmland Preservation Fund
Revenues				
Intergovernmental revenues	\$ -	\$ -	\$ 37,237	\$ -
Charges for services	306,710	-	-	-
Interest and investment income	-	46	63	9
Other income	4	243,596	-	2,061
Total Revenues	306,714	243,642	37,300	2,070
Expenditures				
General government - administrative	-	-	-	-
Human services	-	-	-	-
General government - judicial	-	-	-	-
Public safety	-	-	-	-
Corrections	917,147	299,633	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Emergency communication services	-	-	-	-
Debt service	-	-	-	-
Conservation and development	-	-	37,300	9,673
Total Expenditures	917,147	299,633	37,300	9,673
(Deficiency)/Excess of Revenue (Under) Expenditures	(610,433)	(55,991)	-	(7,603)
Other Financing Sources/(Uses)				
Operating transfers in	610,433	-	-	7,000
Operating transfers (out)	-	-	-	-
Total Other Financing Sources/ (Uses)	610,433	-	-	7,000
(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	-	(55,991)	-	(603)
Fund Balance - Beginning of Year	-	(555,358)	-	10,053
Fund Balance - End of Year	\$ -	\$ (611,349)	\$ -	\$ 9,450

COUNTY OF CAMBRIA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2016

	HMERA Fund	SHARP Fund	Emergency Management Agency Fund
Revenues			
Intergovernmental revenues	\$ 9,926	\$ -	\$ 73,091
Charges for services	18,500	-	-
Interest and investment income	321	63	-
Other income	1,000	1,702	-
	<u>29,747</u>	<u>1,765</u>	<u>73,091</u>
Total Revenues			
Expenditures			
General government - administrative	-	-	-
Human services	-	-	-
General government - judicial	-	-	-
Public safety	39,013	2,523	229,857
Corrections	-	-	-
Public works	-	-	-
Culture and recreation	-	-	-
Emergency communication services	-	-	-
Debt service	-	-	-
Conservation and development	-	-	-
	<u>39,013</u>	<u>2,523</u>	<u>229,857</u>
Total Expenditures			
(Deficiency)/Excess of Revenue			
Over/(Under) Expenditures	<u>(9,266)</u>	<u>(758)</u>	<u>(156,766)</u>
Other Financing Sources/(Uses)			
Operating transfers in	-	-	156,766
Operating transfers (out)	-	-	-
	<u>-</u>	<u>-</u>	<u>156,766</u>
Total Other Financing Sources/ (Uses)			
	<u>-</u>	<u>-</u>	<u>156,766</u>
Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	<u>(9,266)</u>	<u>(758)</u>	<u>-</u>
Fund Balance - Beginning of Year	<u>57,322</u>	<u>21,341</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 48,056</u>	<u>\$ 20,583</u>	<u>\$ -</u>

COUNTY OF CAMBRIA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2016

	Driving Under the Influence Fund	Substance Abuse Fund	Jail/ Detention Fund	Protection From Abuse Fund
Revenues				
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Interest and investment income	1,252	836	91	38
Other income	609,438	216,490	21,742	10,128
Total Revenues	610,690	217,326	21,833	10,166
Expenditures				
General government - administrative	-	-	-	-
Human services	-	-	-	-
General government - judicial	491,637	269,032	24,828	3,750
Public safety	-	-	-	-
Corrections	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Emergency communication services	-	-	-	-
Debt service	-	-	-	-
Conservation and development	-	-	-	-
Total Expenditures	491,637	269,032	24,828	3,750
(Deficiency)/Excess of Revenue Over/(Under) Expenditures	119,053	(51,706)	(2,995)	6,416
Other Financing Sources/(Uses)				
Operating transfers in	-	-	-	-
Operating transfers (out)	(92,750)	-	-	-
Total Other Financing Sources/ (Uses)	(92,750)	-	-	-
Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	26,303	(51,706)	(2,995)	6,416
Fund Balance - Beginning of Year	642,456	323,310	36,704	21,520
Fund Balance - End of Year	\$ 668,759	\$ 271,604	\$ 33,709	\$ 27,936



COUNTY OF CAMBRIA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2016

	Veteran's Court Fund	Mental Health Court Fund	County Records Improvement Fund	Clerk of Courts Automation Fund
Revenues				
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	75,385	-
Interest and investment income	109	1	956	285
Other income	69,369	1,980	-	10,336
Total Revenues	69,478	1,981	76,341	10,621
Expenditures				
General government - administrative	-	-	58,417	-
Human services	-	-	-	-
General government - judicial	64,962	-	-	5,560
Public safety	-	-	-	-
Corrections	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Emergency communication services	-	-	-	-
Debt service	-	-	-	-
Conservation and development	-	-	-	-
Total Expenditures	64,962	-	58,417	5,560
Excess of Revenue Over/(Under) Expenditures	4,516	1,981	17,924	5,061
Other Financing Sources/(Uses)				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Total Other Financing Sources/ (Uses)	-	-	-	-
(Deficiency)/Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	4,516	1,981	17,924	5,061
Fund Balance - Beginning of Year	7,707	20	279,946	51,657
Fund Balance - End of Year	\$ 12,223	\$ 2,001	\$ 297,870	\$ 56,718

COUNTY OF CAMBRIA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2016

	Prothonotary Automation Fund	Register of Wills Automation Fund	Sheriff's Automation Fund	Coroner Vital Statistics
Revenues				
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ 14,264
Charges for services	-	-	-	-
Interest and investment income	62	142	102	49
Other income	10,890	13,920	16,900	-
Total Revenues	10,952	14,062	17,002	14,313
Expenditures				
General government - administrative	-	-	-	-
Human services	-	-	-	-
General government - judicial	12,796	20,297	-	14,313
Public safety	-	-	10,707	-
Corrections	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Emergency communication services	-	-	-	-
Debt service	-	-	-	-
Conservation and development	-	-	-	-
Total Expenditures	12,796	20,297	10,707	14,313
Excess of Revenue Over/(Under) Expenditures	(1,844)	(6,235)	6,295	-
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	(1,844)	(6,235)	6,295	-
Fund Balance - Beginning of Year	19,713	26,132	33,610	-
Fund Balance - End of Year	\$ 17,869	\$ 19,897	\$ 39,905	\$ -

COUNTY OF CAMBRIA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2016

	Liquid Fuels Tax Fund	Hotel Tax Fund	Parks & Playgrounds Fund	Act 13 Fund
Revenues				
Intergovernmental revenues	\$ 976,416	\$ -	\$ -	\$ 803,562
Charges for services	-	-	-	-
Interest and investment income	6,791	127	-	1,318
Other income	28,140	582,168	-	-
Total Revenues	1,011,347	582,295	-	804,880
Expenditures				
General government - administrative	-	-	-	-
Human services	-	-	-	-
General government - judicial	-	-	-	-
Public safety	-	-	-	-
Corrections	-	-	-	-
Public works	884,333	-	-	-
Culture and recreation	-	-	559,358	-
Emergency communication services	-	-	-	-
Debt service	-	-	-	-
Conservation and development	-	557,559	-	-
Total Expenditures	884,333	557,559	559,358	-
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	127,014	24,736	(559,358)	804,880
Other Financing Sources/(Uses)				
Operating transfers in	-	-	629,871	-
Operating transfers (out)	-	(24,736)	-	-
Total Other Financing Sources/ (Uses)	-	(24,736)	629,871	-
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	127,014	-	70,513	804,880
Fund Balance - Beginning of Year	1,158,343	1	(113,629)	-
Fund Balance - End of Year	\$ 1,285,357	\$ 1	\$ (43,116)	\$ 804,880

COUNTY OF CAMBRIA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2016

	Affordable Housing Fund	Redevelopment Authority	Area Agency on Aging Fund	Foster Grand- Parents Fund
Revenues				
Intergovernmental revenues	\$ -	\$ 565,081	\$ 5,615,558	\$ 393,356
Charges for services	-	-	199,212	-
Interest and investment income	248	-	10,104	128
Other income	108,175	-	35,939	163,691
Total Revenues	108,423	565,081	5,860,813	557,175
Expenditures				
General government - administrative	-	-	-	-
Human services	-	-	5,860,813	557,175
General government - judicial	-	-	-	-
Public safety	-	-	-	-
Corrections	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Emergency communication services	-	-	-	-
Debt service	-	-	-	-
Conservation and development	116,035	565,081	-	-
Total Expenditures	116,035	565,081	5,860,813	557,175
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	(7,612)	-	-	-
Other Financing Sources/(Uses)				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Total Other Financing Sources/ (Uses)	-	-	-	-
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(7,612)	-	-	-
Fund Balance - Beginning of Year	105,669	-	-	-
Fund Balance - End of Year	\$ 98,057	\$ -	\$ -	\$ -

COUNTY OF CAMBRIA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2016

	Drug and Alcohol Fund	Human Services Fund	Capital Projects Fund	Total
Revenues				
Intergovernmental revenues	\$ 1,562,590	\$ 559,607	\$ -	\$ 16,063,549
Charges for services	-	-	-	615,310
Interest and investment income	2,604	965	23	29,645
Other income	-	-	-	2,191,957
Total Revenues	<u>1,565,194</u>	<u>560,572</u>	<u>23</u>	<u>18,900,461</u>
Expenditures				
General government - administrative	-	-	-	58,417
Human services	1,592,344	560,572	-	8,570,904
General government - judicial	-	-	-	3,327,557
Public safety	-	-	-	282,100
Corrections	-	-	-	4,518,620
Public works	-	-	-	884,333
Culture and recreation	-	-	-	559,358
Emergency communication services	-	-	-	3,311,871
Debt service	-	-	-	-
Conservation and development	-	-	-	1,285,648
Total Expenditures	<u>1,592,344</u>	<u>560,572</u>	<u>-</u>	<u>22,798,808</u>
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	<u>(27,150)</u>	<u>-</u>	<u>23</u>	<u>(3,898,347)</u>
Other Financing Sources/(Uses)				
Operating transfers in	27,150	-	-	4,949,749
Operating transfers (out)	-	-	-	(117,486)
Total Other Financing Sources/ (Uses)	<u>27,150</u>	<u>-</u>	<u>-</u>	<u>4,832,263</u>
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	<u>-</u>	<u>-</u>	<u>23</u>	<u>933,916</u>
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>8,854</u>	<u>2,135,371</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,877</u>	<u>\$ 3,069,287</u>

COMPONENT UNIT COMBINING  
AND  
INDIVIDUAL FUND  
FINANCIAL STATEMENTS

COUNTY OF CAMBRIA  
COMBINING STATEMENT OF NET POSITION - COMPONENT UNITS  
DECEMBER 31, 2016

	Planning Commission	Redevelopment Authority	Library Association	Municipal Airport Authority	Transit Authority	Economic Development Authority
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents	\$ 111,047	\$ 480,952	\$ 430,645	\$ 693,822	\$ 6,987,902	\$ 175
Investments	-	-	996,958	300,000	-	-
Accounts receivable	103,597	-	13,807	135,170	40,844	-
Due from other governments	-	154,302	-	83,242	272,260	-
Inventory	-	-	-	-	481,855	-
Other assets	-	-	-	-	-	-
Total current assets	214,644	635,254	1,441,410	1,212,234	7,782,861	175
<b>Non-current assets</b>						
Fixed assets (net of accumulated depreciation)	3,648	1,568,766	704,532	13,294,257	32,290,244	-
Other assets	-	724,431	-	-	-	-
Total non-current assets	3,648	2,293,197	704,532	13,294,257	32,290,244	-
<b>DEFERRED OUTFLOWS</b>						
Deferred pension outflows	-	-	-	-	517,064	-
Prepaid expenses	686	-	13,567	-	144,712	387
Total deferred outflows	686	-	13,567	-	661,776	387
Total Assets and Deferred Outflows	\$ 218,978	\$ 2,928,451	\$ 2,159,509	\$ 14,506,491	\$ 40,734,881	\$ 562
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Accounts payable and accrued liabilities	\$ 35,224	\$ 441,775	\$ 62,777	\$ 100,002	\$ 586,809	\$ 861
Due to other governments	-	100,000	-	-	-	-
Bonds and notes payable	-	-	-	78,030	-	-
Obligation under capital lease	-	-	-	-	-	-
Total current liabilities	35,224	541,775	62,777	178,032	586,809	861
<b>Non-current liabilities</b>						
Other liabilities	-	-	-	-	-	-
Bonds and notes payable	-	-	-	413,027	-	-
Obligation under capital lease	-	-	-	-	-	-
Total non-current liabilities	-	-	-	413,027	-	-
<b>DEFERRED INFLOWS</b>						
Deferred pension inflows	-	-	-	-	1,348,722	-
Unearned revenue	-	484,431	124,262	718,841	6,819,715	-
Total deferred inflows	-	484,431	124,262	718,841	8,168,437	-
<b>NET POSITION</b>						
Investment in fixed assets, net of related debt	3,648	1,568,766	704,532	12,803,200	32,290,244	-
Restricted (Note 1m)	-	-	561,929	-	-	-
Unrestricted	180,106	333,479	706,009	393,391	(310,609)	(299)
Total Net Position	183,754	1,902,245	1,972,470	13,196,591	31,979,635	(299)
Total Liabilities, Deferred Inflows and Net Position	\$ 218,978	\$ 2,928,451	\$ 2,159,509	\$ 14,506,491	\$ 40,734,881	\$ 562

COUNTY OF CAMBRIA  
COMBINING STATEMENT OF NET POSITION - COMPONENT UNITS  
DECEMBER 31, 2016

	Solid Waste Management Authority	Conservation and Recreation Authority	Penn Highlands Community College	Behavioral Health of Cambria County	War Memorial Arena Authority	Totals
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents	\$ 126,444	\$ 235,989	\$ 4,478,291	\$ 4,500,140	\$ 696,534	\$ 18,741,941
Investments	-	-	-	-	-	1,296,958
Accounts receivable	111,481	-	150,005	-	20,210	575,114
Due from other governments	-	482,167	74,941	6,271,492	-	7,338,404
Inventory	-	-	-	-	8,310	490,165
Other assets	-	-	-	-	3,825	3,825
Total current assets	237,925	718,156	4,703,237	10,771,632	728,879	28,446,407
<b>Non-current assets</b>						
Fixed assets (net of accumulated depreciation)	146,035	7,362,412	9,750,300	13,693	951,572	66,085,459
Other assets	-	-	-	-	218,630	943,061
Total non-current assets	146,035	7,362,412	9,750,300	13,693	1,170,202	67,028,520
<b>DEFERRED OUTFLOWS</b>						
Deferred pension outflows	-	-	80,149	-	-	597,213
Prepaid expenses	8,830	-	181,093	606,805	-	956,080
Total deferred outflows	8,830	-	261,242	606,805	-	1,553,293
Total Assets and Deferred Outflows	\$ 392,790	\$ 8,080,568	\$ 14,714,779	\$ 11,392,130	\$ 1,899,081	\$ 97,028,220
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Accounts payable and accrued liabilities	\$ 12,729	\$ 521,675	\$ 1,105,994	\$ 26,634	\$ 162,056	\$ 3,056,536
Due to other governments	-	-	-	5,779,904	-	5,879,904
Bonds and notes payable	34,203	-	337,886	-	75,272	525,391
Obligation under capital lease	-	-	146,584	-	-	146,584
Total current liabilities	46,932	521,675	1,590,464	5,806,538	237,328	9,608,415
<b>Non-current liabilities</b>						
Other liabilities	-	-	398,150	-	174,904	573,054
Bonds and notes payable	166,496	-	385,680	-	368,636	1,333,839
Obligation under capital lease	-	-	108,148	-	-	108,148
Total non-current liabilities	166,496	-	891,978	-	543,540	2,015,041
<b>DEFERRED INFLOWS</b>						
Deferred pension inflows	-	-	127,718	-	-	1,476,440
Unearned revenue	-	44,351	327,780	2,086,786	221,260	10,827,426
Total deferred inflows	-	44,351	455,498	2,086,786	221,260	12,303,866
<b>NET POSITION</b>						
Investment in fixed assets, net of related debt	101,169	7,362,412	8,772,002	13,693	507,664	64,127,330
Restricted (Note 1m)	-	-	1,288,648	3,028,952	-	4,879,529
Unrestricted	78,193	152,130	1,716,189	456,161	389,289	4,094,039
Total Net Position	179,362	7,514,542	11,776,839	3,498,806	896,953	73,100,898
Total Liabilities, Deferred Inflows and Net Position	\$ 392,790	\$ 8,080,568	\$ 14,714,779	\$ 11,392,130	\$ 1,899,081	\$ 97,028,220



COUNTY OF CAMBRIA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN NET POSITION - GOVERNMENTAL TYPE COMPONENT UNITS  
FOR THE YEAR ENDED DECEMBER 31, 2016

	Redevelopment Authority	Library Association	Conservation and Recreation Authority	Total
Revenues:				
Intergovernmental revenues	\$ 1,673,756	\$ 873,375	\$ 547,745	\$ 3,094,876
County appropriations	60,000	615,000	200,000	875,000
Charges for services	58,936	71,884	-	130,820
Interest and investment income	-	28,465	521	28,986
Realized gain/(loss) on investments	-	1,651	-	1,651
Unrealized gain/(loss) on investments	-	11,122	-	11,122
Other	151,044	281,302	23,307	455,653
Total Revenues	1,943,736	1,882,799	771,573	4,598,108
Expenditures:				
Conservation and development	1,743,358	-	745,690	2,489,048
Culture and recreation	-	1,752,666	-	1,752,666
Total Expenditures	1,743,358	1,752,666	745,690	4,241,714
Change in Net Position	200,378	130,133	25,883	356,394
Net Position - Beginning of Year	1,701,867	1,842,337	7,488,659	11,032,863
Net Position - End of Year	\$ 1,902,245	\$ 1,972,470	\$ 7,514,542	\$ 11,389,257

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, 2016

	Planning Commission	Municipal Airport Authority	Transit Authority	Economic Development Authority	Solid Waste Management Authority
Operating Revenues:					
Charges for services	\$ 299,965	\$ 354,670	\$ 912,700	\$ -	\$ 1,138
Intergovernmental revenues	-	-	889,468	-	67,158
Other	10,954	450,255	310,666	-	25,188
Total Operating Revenues	310,919	804,925	2,112,834	-	93,484
Operating Expenses:					
Public works	348,411	610,607	10,487,305	-	408,517
Human Services	-	-	-	-	-
Education and general	-	-	-	-	-
Conservation and development	-	-	-	78,412	-
Depreciation	1,067	1,119,342	2,174,340	-	8,683
Total Operating Expenses	349,478	1,729,949	12,661,645	78,412	417,200
Operating Income/(Loss)	(38,559)	(925,024)	(10,548,811)	(78,412)	(323,716)
Non-Operating Revenues/(Expenses):					
Investment income	98	983	22	20	94
Gain/(loss) on sale of assets	-	3,500	-	-	-
State appropriations	-	-	7,542,051	-	-
Financial Aid Revenue	-	-	-	-	-
Financial Aid (Expenses)	-	-	-	-	-
County appropriations	64,200	174,000	732,383	-	340,700
Other non-operating revenue/(expense)	-	10,279	-	68,500	-
Interest expense	-	(13,498)	-	-	(6,332)
Total Non-Operating Revenues/ (Expenses)	64,298	175,264	8,274,456	68,520	334,462
Change in Net Position Before Capital Contributions	25,739	(749,760)	(2,274,355)	(9,892)	10,746
Capital Contributions	-	1,699,407	645,028	-	-
Total Change in Net Position	25,739	949,647	(1,629,327)	(9,892)	10,746
Net Position Beginning of Year	158,015	12,246,944	33,608,962	9,593	168,616
Net Position - End of Year	\$ 183,754	\$ 13,196,591	\$ 31,979,635	\$ (299)	\$ 179,362

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, 2016

	Penn Highlands Community College	Behavioral Health of Cambria County	War Memorial Arena Authority	Total
Operating Revenues:				
Charges for services	\$ 7,473,533	\$ -	\$ 2,156,809	\$ 11,198,815
Intergovernmental revenues	674,297	37,753,916	-	39,384,839
Other	69,265	-	-	866,328
Total Operating Revenues	8,217,095	37,753,916	2,156,809	51,449,982
Operating Expenses:				
Public works	-	-	-	11,854,840
Human Services	-	37,445,497	-	37,445,497
Education and general	11,926,392	-	2,274,155	14,200,547
Conservation and development	-	-	-	78,412
Depreciation	955,336	-	64,730	4,323,498
Total Operating Expenses	12,881,728	37,445,497	2,338,885	67,902,794
Operating Income/(Loss)	(4,664,633)	308,419	(182,076)	(16,452,812)
Non-Operating Revenues/(Expenses):				
Investment income	-	25,660	2,235	29,112
Gain/(loss) on sale of assets	-	-	-	3,500
State appropriations	3,700,331	-	-	11,242,382
Financial Aid Revenue	6,629,240	-	-	6,629,240
Financial Aid (Expenses)	(6,634,733)	-	-	(6,634,733)
County appropriations	1,288,521	-	381,687	2,981,491
Other non-operating revenue/(expense)	81,665	-	-	160,444
Interest expense	(51,692)	-	(5,655)	(77,177)
Total Non-Operating Revenues/ (Expenses)	5,013,332	25,660	378,267	14,334,259
Change in Net Position Before Capital Contributions	348,699	334,079	196,191	(2,118,553)
Capital Contributions	35,967	-	223,097	2,603,499
Total Change in Net Position	384,666	334,079	419,288	484,946
Net Position Beginning of Year	11,392,173	3,164,727	477,665	61,226,695
Net Position - End of Year	\$ 11,776,839	\$ 3,498,806	\$ 896,953	\$ 61,711,641