



COUNTY OF CAMBRIA
PENNSYLVANIA

Basic Financial Statements

December 31, 2017

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, 2017. 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 \$803 thousand, which was an increase of \$3.08 million from 2016.
- The General Fund unassigned fund balance was \$803 thousand, an increase of \$3.08 million from the 2016 unassigned fund balance.
- Government-wide net position (assets plus deferred outflows less liabilities and deferred inflows) at the end of the year was (\$16.22) million, an increase of \$2.24 million from 2016.
- The balance of outstanding bonds and notes payable was \$48.09 million, an increase of \$185,913 from 2016. The outstanding balance of obligations under capital leases was \$317,888, a decrease of \$42,397 from 2016. Therefore, outstanding long-term obligations increased by \$143,516 from 2016.
- For calendar year 2017, the County's real property tax rate decreased to 34 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 ten (10) component units – Planning Commission, Redevelopment Authority, Library Association, Municipal Airport Authority, Transit 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-seven (37) individual governmental funds. Of these funds, six (6) 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, Capital Projects 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, Booking Center, 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, Act 152, Area Agency on Aging, Foster Grandparents, Drug and Alcohol, and Human Services.

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, 2017 and 2016.

Cambria County Primary Government Summary of Net Position December 31, 2017 and 2016							
		Governmental Activities		Business-type Activities		Total	
		2017	2016	2017	2016	2017	2016
Assets:							
	Current Assets	\$ 32,973,141	\$ 30,464,317	\$ 212,339	\$ 360,837	\$ 33,185,480	\$ 30,825,154
	Non-current Assets	<u>50,395,991</u>	<u>50,619,624</u>	<u>3,033,794</u>	<u>3,096,538</u>	<u>53,429,785</u>	<u>53,716,162</u>
	Total Assets	<u>83,369,132</u>	<u>81,083,941</u>	<u>3,246,133</u>	<u>3,457,375</u>	<u>86,615,265</u>	<u>84,541,316</u>
Deferred Outflows:							
	Deferred Loss on Advance Refunding	478,898	610,227	---	---	478,898	610,227
	Prepaid Expenses	186,064	179,101	---	---	186,064	179,101
	Deferred Pension Outflows	13,370,224	14,138,739	---	---	13,370,224	14,138,739
	Bond Issue Discount	<u>223,707</u>	<u>243,160</u>	<u>28,267</u>	<u>30,725</u>	<u>251,974</u>	<u>273,885</u>
	Total Deferred Outflows	<u>14,258,893</u>	<u>15,171,227</u>	<u>28,267</u>	<u>30,725</u>	<u>14,287,160</u>	<u>15,201,952</u>
	Total Assets and Deferred Outflows	<u>\$ 97,628,025</u>	<u>\$96,255,168</u>	<u>\$ 3,274,400</u>	<u>\$ 3,488,100</u>	<u>\$ 100,902,425</u>	<u>\$99,743,268</u>
Liabilities:							
	Current Liabilities	\$ 25,392,750	\$ 25,768,813	\$ 316,171	\$ 303,612	\$ 25,708,921	\$ 26,072,425
	Non-current Liabilities	<u>71,648,853</u>	<u>82,555,879</u>	<u>2,845,282</u>	<u>3,043,514</u>	<u>74,494,135</u>	<u>85,599,393</u>
	Total Liabilities	<u>97,041,603</u>	<u>108,324,692</u>	<u>3,161,453</u>	<u>3,347,126</u>	<u>100,203,056</u>	<u>111,671,818</u>
Deferred Inflows:							
	Unearned Revenues	2,062,077	2,826,895	---	462	2,062,077	2,827,357
	Bond Issue Premium	1,559,765	1,940,433	112,947	140,512	1,672,712	2,080,945
	Deferred Pension Inflows	<u>13,182,768</u>	<u>1,623,550</u>	<u>---</u>	<u>---</u>	<u>13,182,768</u>	<u>1,623,550</u>
	Total Deferred Inflows	<u>16,804,610</u>	<u>6,390,878</u>	<u>112,947</u>	<u>140,974</u>	<u>16,917,557</u>	<u>6,531,852</u>
Net Position:							
	Investment in Capital Assets, Net Of Related Debt	1,482,968	1,855,547	(144,466)	(299,712)	1,338,502	1,555,835
	Unrestricted	(23,173,974)	(22,406,186)	144,466	299,712	(23,029,508)	(22,106,474)
	Restricted	<u>5,472,818</u>	<u>2,090,237</u>	<u>---</u>	<u>---</u>	<u>5,472,818</u>	<u>2,090,237</u>
	Total Net Position	<u>(16,218,188)</u>	<u>(18,460,402)</u>	<u>---</u>	<u>---</u>	<u>(16,218,188)</u>	<u>(18,460,402)</u>
	Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 97,628,025</u>	<u>\$ 96,255,168</u>	<u>\$ 3,274,400</u>	<u>\$ 3,488,100</u>	<u>\$ 101,902,425</u>	<u>\$ 99,743,268</u>

Total net position: Net position of the County's governmental activities was (\$16.22) million, an increase of \$2.24 million from 2016. Of this amount, \$1.48 million represents investment in capital assets, net of related debt. The unrestricted net position balance as of the end of the year was (\$23.17) million which represents an decrease of \$767,788 from 2016. The County's deferred outflows exceeded deferred inflows in 2017 by \$2.54 million, to be recognized in future years. The 2017 restricted net position balance represents the Debt Service Fund balance of \$3,202,445, which is restricted by the County Tax Assessment. The restricted net position balance also includes \$1,697,071 restricted by the PA Department of Transportation under PA Title 75, Chapter 90, \$484,206 restricted by the PA Department of Transportation under PA Act 13 of 2012, and \$89,096 restricted by the PA General Assembly under PA Act 152 of 2016.

Net position of the County's business-type activities was \$0, which was no change from 2016. Of the total net position, (\$144,466) represents investment in capital assets, net of related debt. The unrestricted net position balance at year-end was \$144,466, which represents an increase of \$155,246 from 2016.

Government-wide Statement of Activities

The table below summarizes the changes of net position for the primary government for the period ended December 31, 2017 and 2016:

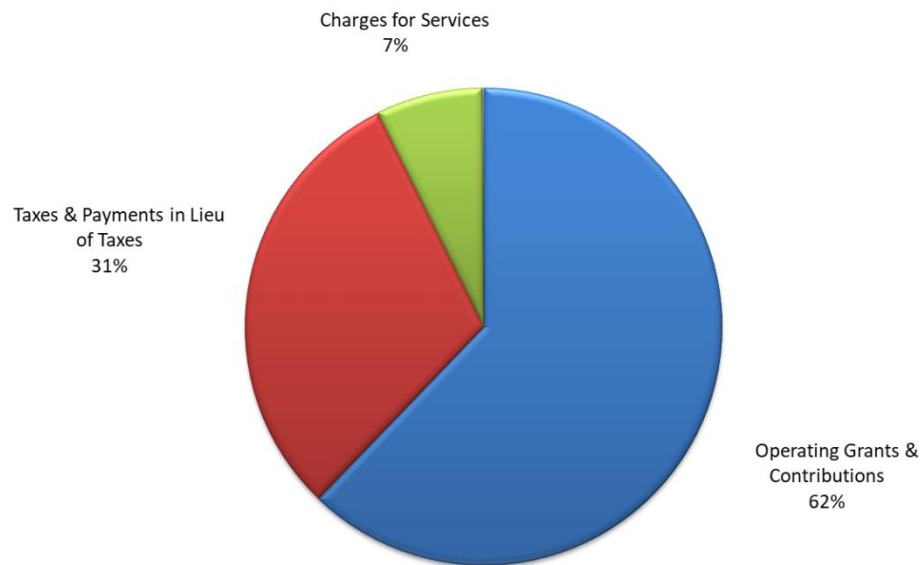
**Cambria County Primary Government
Summary of Changes in Net Position
For the Years Ended December 31, 2017 and 2016**

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program Revenues:						
Charges for Services	\$ 9,964,692	\$10,808,455	\$ 649,269	\$ 728,576	\$10,613,961	\$11,537,031
Operating Grants & Contributions	86,152,440	85,290,296	---	---	86,152,440	85,290,296
Capital Grants & Contributions	31,094	30,095	---	---	31,094	30,095
General Revenues:						
Taxes & Payments in Lieu of Taxes	42,958,415	43,186,619	---	---	45,958,415	43,186,619
(Loss)/Gain from Sale of Assets	(43,669)	(35,612)	---	---	(43,669)	(35,612)
Unrestricted Investment Earnings	90,258	54,576	124	107	90,382	54,577
Other Revenues	74,253	79,846	65,000	80,000	139,253	159,847
Total Revenues	139,227,483	139,414,276	714,393	808,683	142,950,231	140,222,960
Expenses:						
General Government-Administrative	6,513,153	5,147,145	---	---	6,513,153	5,147,145
General Government-Judicial	11,739,780	11,520,984	---	---	11,739,780	11,520,984
Public Safety	6,790,188	6,752,476	---	---	6,790,188	6,752,476
Corrections	17,319,720	17,456,532	---	---	17,319,720	17,456,532
Public Works	632,910	726,509	---	---	632,910	726,509
Human Services	72,839,196	72,512,846	---	---	72,839,196	72,512,846
Culture and Recreation	1,029,070	188,671	---	---	1,029,070	188,671
Conservation and Development	1,176,219	2,149,081	---	---	1,176,219	2,149,081
Emergency Communications Services	3,050,570	2,824,217	---	---	3,050,570	2,824,217
Employee Benefits	6,825,709	9,045,092	---	---	6,825,709	9,045,092
Debt Service	1,662,530	2,038,293	---	---	1,662,530	2,038,293
Unallocated Depreciation	3,581,335	3,472,028	---	---	3,581,335	3,472,028
Central Park Complex	---	---	909,518	918,016	909,518	918,016

Total Expenses	133,160,380	133,833,874	909,518	918,016	134,069,898	134,751,890
Changes in Net Position before Transfers and Capital Contributions	6,067,103	5,580,402	(195,125)	(109,333)	5,871,978	5,471,070
Transfers in/(out) Primary Government	(195,125)	(109,333)	195,125	109,333	---	---
Transfers in/(out) Component Units	(3,629,763)	(3,456,358)	---	---	(3,629,763)	(3,456,358)
Change in Net Position	2,242,215	2,014,711	---	---	2,250,570	2,014,712
Net Position – Beginning of Year	(18,460,403)	(21,179,811)	---	---	(18,460,403)	(21,179,811)
Prior Period Adjustment	---	704,697	---	---	---	704,697
Net Position – Beginning of Year, as restated	(18,460,403)	(20,475,114)	---	---	(18,460,403)	(20,475,114)
Net Position – End of Year	<u>\$ (16,218,188)</u>	<u>\$ (18,460,403)</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ (16,218,188)</u>	<u>\$ (18,460,402)</u>

Governmental activities revenues: Revenues for Cambria County's governmental activities were \$139.2 million for the year ended December 31, 2017, a decrease of .1% from 2016. The following pie chart reflects the sources of those revenues by percent:

**Revenues by Source - Governmental Activities
For the Year Ended December 31, 2017**



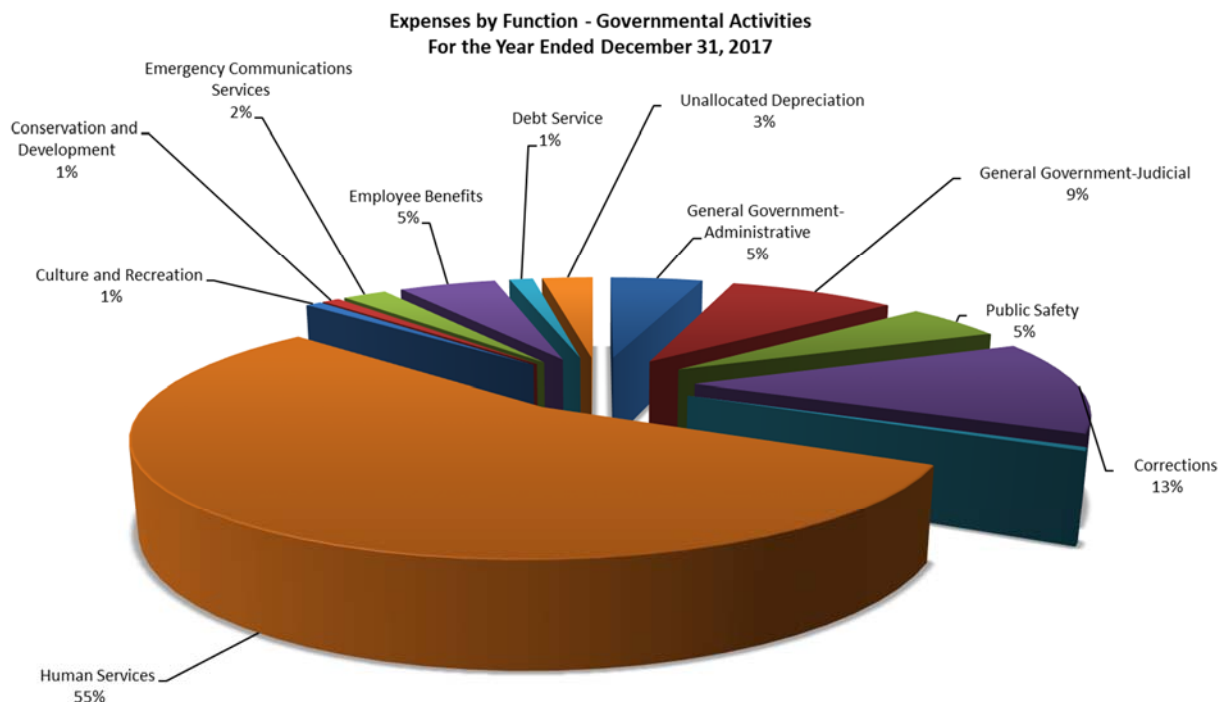
The largest source of governmental activities revenue is operating grants and contributions amounting to \$86.2 million or 61.9%. The Human Services agencies, including Behavioral Health/Intellectual Disabilities & Early Intervention, Children & Youth Services, Drug and Alcohol, Area Agency on Aging, Foster Grandparents, Human Services, and Health Choices receive the largest portion of operating grants and contributions at \$65.8 million or 76.3% 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 \$43.0 million or 30.9%. For 2017, the real estate tax rate decreased to 34 mills. Of this amount, 27.5 mills was designated for general purposes, 4.5 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 \$42.2 million in governmental activities revenue in 2017. 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 2017, the hotel tax receipts amounted to \$677,235. Cambria County also receives payments in lieu of taxes from various sources. The County received \$119,549 in payments in lieu of taxes in 2017.

Charges for services amounted to \$10.0 million or 7.16% 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 \$151,936 or 0.11% of governmental activities revenue.

Governmental activities expenses: Expenses for Cambria County's governmental activities were \$133.2 million for the year ended December 31, 2017. 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 \$72.8 million or 54.7% for 2017.

The general government-judicial is composed of the Court of Common Pleas, Magistrates, Constables, Driving Under the Influence Fund, Law Library, Domestic Relations, Coroner Vital Statistics, Substance Abuse, Protection from Abuse, and Veteran's Court. Also included are the row offices that provide services to the courts, which include the District Attorney, Public Defender, Clerk of Courts, Prothonotary, Register of Wills, and Sheriff. Expenses for general government-judicial were \$11.7 million or 8.8% in 2017.

Public Safety includes Emergency Management, HMER, SHARP, and Sheriff's Automation. Expenses in 2017 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 \$17.3 million or 13.0%.

Employee Benefits were \$6.8 million or 5.1% 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 \$6.5 million or 4.9%.

Debt Service on the County's Lease Rental Indebtedness, Bonds and Notes was \$1.7 million or 1.3% of governmental activities expenses.

The remaining expenses of \$9.5 million or 7.1% were for Public Works, Culture and Recreation, Conservation and Development, Emergency Communications Services, and Unallocated Depreciation.

Funds Financial Analysis

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

Governmental Funds: The accounting focus of the County's governmental funds, which include the Major Funds of the General Fund, 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, 2017, the General Fund reported a fund balance of 803 thousand, which was an increase of \$3.1 million from the prior year's fund balance of (\$2.28) million. For 2017, revenues and other financing sources exceeded expenditures and other financing uses by \$3.1 million.

The Health Choices Fund maintains a zero fund balance. Revenues in the Health Choices Fund decreased \$1,539,095 or 3.8% to \$38.9 million in 2017.

The Children and Youth Fund also maintains a zero fund balance. The revenue for the Children and Youth Fund increased \$431,968 or 4.6% to \$9.83 million in 2017.

The Behavioral Health/Intellectual Disabilities & Early Intervention special revenue fund maintains no fund balance. Revenues in the fund increased to \$10.1 million from \$9.5 million in 2017, an increase of \$633,148 or 6.7%.

The Capital Projects Fund reported a fund balance of \$2.5 million, which is an increase of \$2.5 million from the prior year. For 2017, revenues and other financing sources exceeded expenditures and other financing uses by \$2.5 million.

The Debt Service Fund reported a fund balance of \$3.2 million, which was an increase of \$641 thousand from the prior year. For 2017, revenues and other financing sources exceeded expenditures and other financing uses by \$641 thousand.

Proprietary Funds: In 2017, 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, 2017. The net position reflects that \$144,466 was unrestricted and (\$144,466) 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 \$59.0 million in 2017 and \$60.2 million in 2016. The final budgeted general fund revenue was \$60.0 million in 2017 and \$61.6 million in 2016. The actual revenue received during 2017 was \$60.6 million. The following are negative variances in final budgeted revenue to actual revenue during 2017: actual charges for services was \$133,336 or 1.6% less than budgeted.

The original budgeted general fund expenditure amounts were \$47.9 million in 2017 and \$47.9 million in 2016. The final budgeted general fund expenditure amounts were \$49.4 million in 2017 and \$48.6 million in 2016. The actual expenditures were \$46.6 million for 2017. Positive variances were in general government – administrative for \$1,156,852 or 15.3%, corrections for \$261,602 or 1.9%, culture and recreation for \$331,935 or 35.0%, conservation and development for \$309,005 or 20.6%, employee benefits for \$885,507 or 24.2%, and debt service for \$87,844 or 97.1%. Negative variances were in general government – judicial for \$52,703 or .6%, public safety for \$30,381 or .5%, public works for \$55, and human services for \$121,842 for 2.6%.

The original budgeted operating transfers in were \$235,800 in 2017 and \$219,150 million in 2016. The final budgeted operating transfers in were \$759,970 in 2017 and \$219,150 in 2016. For 2017, the actual operating transfers in were \$37,406 under budget. The original budgeted operating transfers out were \$11.3 million in 2017 and \$13.4 million in 2016. The final budgeted operating transfers out were \$11.4 million in 2017 and \$13.3 million in 2016. The actual operating transfers out were \$239,205 or 2.1% over budget in 2017.

Overall, the general fund had an excess of revenues and other financing sources over/(under) expenditures and other financing uses of \$3.1 million for the year ending December 31, 2017.

Capital Assets and Debt Administration

Capital Assets:

The County's investment in capital assets at December 31, 2017, net of accumulated depreciation, amounted to \$51.5 million. This was a decrease of \$384,526 or 0.7% 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, 2017
Construction-in-progress	\$ 139,924	\$ 249,333	\$ 389,257
Land	---	290,116	290,116
Site/land improvements	7,182,483	125,928	7,308,411
Infrastructure	16,954,720	---	16,954,720
Building and permanent fixtures	50,474,411	6,383,472	56,857,883
Office furniture and equipment	2,658,615	6,500	2,665,115
General equipment	5,104,277	---	5,104,277
Machinery and equipment	---	51,200	51,200
Radio equipment	12,984,355	---	12,984,355
Computer hardware and software	6,790,785	3,716	6,794,501
Vehicles	5,663,441	---	5,663,441
Less accumulated depreciation	(59,509,767)	(4,076,471)	(63,586,238)
Total	\$ 48,443,244	\$ 3,033,794	\$ 51,477,038

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, 2017, Cambria County had outstanding debt and capital lease obligations of \$48.4 million. During 2017, the County's bonds, notes and capital leases increased by \$143,516 or .3%.

Cambria County entered into a \$3 million loan agreement with First National Bank of Pennsylvania on December 19, 2017. The thirteen (13) month loan was for capital projects at various county facilities. The debt service will be funded with existing debt service funds. The final payment on the debt will be in January 2019.

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 2018 Budget:

The key economic factors affecting the County include the following:

The County's unemployment rate, as of April 2018, was 5.3%. This was a decrease from the April 2017 rate of 6.2%. The statewide unemployment rate was 4.7% for April 2018.

The July 1, 2017 population estimate for Cambria County was 133,732. This was a 6.9% decrease from the 2010 census of 143,679.

The total 2018 budget is \$183,768,234, and the General Fund budget is \$60,749,739 for 2018. This is an increase of \$3,971,083 or 2.2% over the amended 2017 total budget. The General Fund budget decreased \$759,837 or 1.2% from the amended 2017 budget.

The total real estate millage for 2018 decreased 0.5 mill to 33.5 mills. Of that, 27.5 mills are dedicated to general purposes, 4.0 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.

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 (5) year lease with an additional five (5) year option with Adelphoi USA, Inc. for the facility. Adelphoi USA, Inc. intended to invest \$800,000 to renovate the facility to operate a 29 bed secure treatment program. The actual investment was \$1.6 million. Because of the additional investment, the Commissioners extended the lease with Adelphoi USA, Inc. an additional five (5) years on April 12, 2018.

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 (2) fiscal years, which have reduced the county's general fund reserve to negative \$8.6 million" for the negative outlook. On November 7, 2017, S&P Global Ratings again revised its outlook on Cambria County's GO bonds to stable from negative and affirmed its 'BBB' long-term rating.

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 18, 2018

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, 2017, 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 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 Solid Waste Management 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, 2017, 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 73-78 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 18, 2018, 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 cursive script that reads "Wessel & Company".

WESSEL & COMPANY
Certified Public Accountants

COUNTY OF CAMBRIA
GOVERNMENT-WIDE STATEMENT OF NET POSITION
DECEMBER 31, 2017

	Primary Government			Component
	Governmental Activities	Business-type Activities	Total	Units
ASSETS:				
Current Assets:				
Cash and cash equivalents (Note 2)	\$ 12,155,851	\$ 7,330	\$ 12,163,181	\$ 18,677,413
Investments (Note 2)	-	-	-	1,562,476
Cash Held for Clients as Representative Payee and Guardianship Program (Note 17)	303,144	-	303,144	-
Receivables (net of allowance for uncollectibles)				
Accounts	3,613,538	2,300	3,615,838	459,125
Taxes (Note 3)	5,136,731	-	5,136,731	-
Due from other governments (Note 4)	11,966,586	-	11,966,586	7,782,814
Internal balances (Note 1k)	(202,709)	202,709	-	-
Inventory	-	-	-	488,928
Total Current Assets	32,973,141	212,339	33,185,480	28,970,756
Non-Current Assets:				
Other assets	-	-	-	613,178
Note receivable (Note 16)	1,952,747	-	1,952,747	-
Fixed assets, net of accumulated depreciation (Note 5)	48,443,244	3,033,794	51,477,038	67,014,803
Total Non-Current Assets	50,395,991	3,033,794	53,429,785	67,627,981
DEFERRED OUTFLOWS:				
Deferred loss on advance refunding (Note 1r)	478,898	-	478,898	-
Prepaid expenses	186,064	-	186,064	405,853
Deferred pension outflows (Note 6)	13,370,224	-	13,370,224	588,439
Bond issue discount (Note 1r)	223,707	28,267	251,974	-
Total Deferred Outflows	14,258,893	28,267	14,287,160	994,292
Total Assets and Deferred Outflows	\$ 97,628,025	\$ 3,274,400	\$ 100,902,425	\$ 97,593,029
LIABILITIES:				
Current Liabilities:				
Accounts payable and accrued liabilities	\$ 16,232,809	\$ 56,630	\$ 16,289,439	\$ 2,826,167
Reserved Cash Held for Clients as Representative Payee and Guardianship Program (Note 17)	303,144	-	303,144	-
Due to other governments (Note 4)	665,474	-	665,474	6,384,268
Compensated absences (Note 10 and 13)	1,736,536	9,348	1,745,884	-
Bonds and notes payable (Note 10)	5,514,351	197,505	5,711,856	532,029
Obligations under capital leases (Note 12)	46,166	-	46,166	88,792
Accrued interest	731,894	52,688	784,582	-
Other liabilities	162,376	-	162,376	-
Total Current Liabilities	25,392,750	316,171	25,708,921	9,831,256
Non-Current Liabilities:				
Compensated absences (Note 10 and 14)	393,321	1,895	395,216	-
Bonds and notes payable (Note 10)	39,538,983	2,843,387	42,382,370	1,038,228
Estimated workers' compensation claim (Note 8 and 10)	332,322	-	332,322	-
OPEB obligation (Note 7 and 10)	99,633	-	99,633	-
Net pension liability (Note 6)	31,012,872	-	31,012,872	-
Obligations under capital leases (Note 12)	271,722	-	271,722	134,999
Other liabilities	-	-	-	1,665,087
Total Non-Current Liabilities	71,648,853	2,845,282	74,494,135	2,838,314
DEFERRED INFLOWS:				
Unearned revenues (Note 1f)	2,062,077	-	2,062,077	10,020,571
Bond issue premium, net (Note 1r)	1,559,765	112,947	1,672,712	-
Deferred pension inflows (Note 6)	13,182,768	-	13,182,768	280,460
Total Deferred Inflows	16,804,610	112,947	16,917,557	10,301,031
NET POSITION:				
Investment in capital assets, net of related debt	1,482,968	(144,466)	1,338,502	65,341,972
Unrestricted	(23,173,974)	144,466	(23,029,508)	5,050,537
Restricted (Note 1m)	5,472,818	-	5,472,818	4,229,919
Total Net Position	(16,218,188)	-	(16,218,188)	74,622,428
Total Liabilities, Deferred Inflows and Net Position	\$ 97,628,025	\$ 3,274,400	\$ 100,902,425	\$ 97,593,029

COUNTY OF CAMBRIA
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

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
Primary Government:							
Governmental Activities:							
General government - administrative	\$ 6,513,153	\$ 2,222,680	\$ 98,680	\$ -	\$ (4,191,793)	\$ -	\$ (4,191,793)
General government - judicial	11,739,780	2,166,758	2,729,855	-	(6,843,167)	-	(6,843,167)
Public safety	6,790,188	719,973	4,111,777	-	(1,958,438)	-	(1,958,438)
Corrections	17,319,720	3,019,335	2,607,423	-	(11,692,962)	-	(11,692,962)
Public works	632,910	-	2,443,678	-	1,810,768	-	1,810,768
Human services	72,839,196	1,330,307	69,590,266	-	(1,918,623)	-	(1,918,623)
Culture and recreation	1,029,070	37,839	-	-	(991,231)	-	(991,231)
Conservation and development	1,176,219	467,800	1,140,283	-	431,864	-	431,864
Emergency communication services	3,050,570	-	3,430,478	31,094	411,002	-	411,002
Employee benefits	6,825,709	-	-	-	(6,825,709)	-	(6,825,709)
Debt service	1,662,530	-	-	-	(1,662,530)	-	(1,662,530)
Unallocated depreciation and amortization	3,581,335	-	-	-	(3,581,335)	-	(3,581,335)
Total Governmental Activities	133,160,380	9,964,692	86,152,440	31,094	(37,012,154)	-	(37,012,154)
Business-type Activities:							
Central Park Complex	909,518	649,269	-	-	-	(260,249)	(260,249)
Total Business-type Activities	909,518	649,269	-	-	-	(260,249)	(260,249)
Total Primary Government	\$ 134,069,898	\$ 10,613,961	\$ 86,152,440	\$ 31,094	\$ (37,012,154)	\$ (260,249)	\$ (37,272,403)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes		\$ 34,738,388			\$ -	\$ -	\$ 34,738,388
Property Taxes, Levied for Debt Retirement		5,570,247			-	-	5,570,247
Property Taxes, Levied for Community College		1,233,536			-	-	1,233,536
Property Taxes, Levied for County Library		619,460			-	-	619,460
Payments in Lieu of Taxes		119,549			-	-	119,549
County Hotel Lodging Taxes		677,235			-	-	677,235
Gain/(loss) from Sale of Assets		(43,669)			-	-	(43,669)
Transfers in/(out) primary government		(195,125)			195,125	-	-
Transfers in/(out) component units		(3,629,763)			-	-	(3,629,763)
Unrestricted Investment Earnings		90,258			-	124	90,382
Other Revenues		74,253			-	65,000	139,253
Total General Revenues and Transfers		39,254,369			260,249	-	39,514,618
Total Change in Net Position		2,242,215			-	-	2,242,215
Net Position - Beginning of Year		(18,460,403)			-	-	(18,460,403)
Net Position - End of Year		\$ (16,218,188)			\$ -	-	\$ (16,218,188)

COUNTY OF CAMBRIA
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

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	\$ 824,754	\$ 34,257	\$ 608,340	\$ -	\$	(182,157)	
Library Association	1,723,516	49,110	866,195	-		(808,211)	
Conservation and Recreation Authority	272,174	-	1,202,530	-		930,356	
Total Component Unit Governmental Activities	2,820,444	83,367	2,677,065	-		(60,012)	
Business-type Activities:							
Planning Commission	360,695	311,456	-	-		(49,239)	
Municipal Airport Authority	1,736,455	367,609	-	-		(1,368,846)	
Transit Authority	13,232,291	890,957	8,566,785	-		(3,774,549)	
Solid Waste Management Authority	444,518	943	57,289	-		(386,286)	
Community College	13,070,445	7,801,724	3,918,883	-		(1,349,838)	
Behavioral Health of Cambria County	43,371,517	-	42,618,210	-		(753,307)	
War Memorial Arena Authority	2,589,652	2,474,012	-	-		(115,640)	
Total Component Unit Business-type Activities	74,805,573	11,846,701	55,161,167	-		(7,797,705)	
Total Component Units	\$ 77,626,017	\$ 11,930,068	\$ 57,838,232	\$ -	\$	(7,857,717)	
General Revenues:							
					\$	(30,083)	
						115,705	
						1,098,078	
						3,629,763	
						4,813,463	
						(3,044,254)	
						(218,630)	
						3,834,137	
						571,253	
						73,115,028	
						936,147	
						74,051,175	
					\$	74,622,428	

COUNTY OF CAMBRIA
BALANCE SHEET - GOVERNMENTAL FUNDS
(INCLUDING THE RECONCILIATION OF TOTAL GOVERNMENTAL
FUND BALANCE TO NET POSITION OF GOVERNMENTAL ACTIVITIES)
DECEMBER 31, 2017

	Major Funds						Other Nonmajor Governmental Funds	Totals
	General	Health Choices Fund	Children and Youth Fund	Behavioral Health/ Intellectual Disabilities & Early Intervention	Capital Projects Fund	Debt Service Fund		
ASSETS:								
Cash and cash equivalents	\$ 1,626,922	\$ 86	\$ -	\$ 677,914	\$ 2,482,122	\$ -	\$ 5,513,016	\$ 10,300,060
Cash Held for Clients as Representative Payee and Guardianship Program (Note 17)	-	-	9,341	-	-	-	293,803	303,144
Receivables (net of allowance for uncollectibles)								
Accounts	1,285,923	-	158,376	37,957	-	-	1,228,779	2,711,035
Taxes	5,136,731	-	-	-	-	-	-	5,136,731
Due from other governments	106,896	6,732,299	4,032,369	341,707	-	-	719,332	11,932,603
Due from other funds (Note 1k)	6,393,598	-	-	176,169	-	3,202,445	889,384	10,661,596
Total Assets	14,550,070	6,732,385	4,200,086	1,233,747	2,482,122	3,202,445	8,644,314	41,045,169
DEFERRED OUTFLOWS:								
Prepaid expenses	155,483	-	16,181	-	-	-	14,400	186,064
Total Assets and Deferred Outflows	\$ 14,705,553	\$ 6,732,385	\$ 4,216,267	\$ 1,233,747	\$ 2,482,122	\$ 3,202,445	\$ 8,658,714	\$ 41,231,233
LIABILITIES:								
Accounts payable and accrued liabilities	\$ 4,496,599	\$ 6,732,385	\$ 1,124,319	\$ 1,046,485	\$ -	\$ -	\$ 1,671,689	\$ 15,071,477
Reserved Cash Held for Clients as Representative Payee and Guardianship Program (Note 17)	-	-	9,341	-	-	-	293,803	303,144
Other liabilities	162,376	-	-	-	-	-	-	162,376
Due to other governments	-	-	466,769	-	-	-	173,063	639,832
Due to other funds (Note 1k)	5,119,951	-	2,615,838	-	-	-	1,523,213	9,259,002
Total Liabilities	9,778,926	6,732,385	4,216,267	1,046,485	-	-	3,661,768	25,435,831
DEFERRED INFLOWS:								
Unearned revenues	4,123,155	-	-	187,262	-	-	1,805,229	6,115,646
FUND BALANCE								
Unassigned fund balance/(deficit)	803,472	-	-	-	-	-	(736,862)	66,610
Assigned fund balance	-	-	-	-	2,482,122	-	1,658,206	4,140,328
Restricted (Note 1l)	-	-	-	-	-	3,202,445	2,270,373	5,472,818
Total Fund Balance	803,472	-	-	-	2,482,122	3,202,445	3,191,717	9,679,756
Total Liabilities, Deferred Inflows and Fund Balance	\$ 14,705,553	\$ 6,732,385	\$ 4,216,267	\$ 1,233,747	\$ 2,482,122	\$ 3,202,445	\$ 8,658,714	\$ 41,231,233

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

(78,582,213)
187,456
4,053,569
48,443,244
\$ (16,218,188)

COUNTY OF CAMBRIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Major Funds							Other Nonmajor Governmental Funds	Totals
	General	Health Choices Fund	Children and Youth Fund	Behavioral Health/ Intellectual Disabilities & Early Intervention	Capital Projects Fund	Debt Service Fund			
Revenues									
Real estate taxes	\$ 42,072,399	\$ -	\$ -	\$ -	-	-	\$ -	\$ -	\$ 42,072,399
Charges for services	8,020,134	-	152,926	1,003,323	-	-	-	281,267	9,457,650
Interest and investment income	32,882	515	-	5,157	416	-	-	51,288	90,258
Intergovernmental revenues	9,764,920	38,904,549	9,671,837	9,094,186	-	-	-	17,243,377	84,678,869
Other income	663,360	-	450	10,969	-	-	-	2,274,065	2,948,844
Total Revenues	60,553,695	38,905,064	9,825,213	10,113,635	416	-	-	19,849,997	139,248,020
Expenditures									
General government - administrative	6,421,301	-	-	-	3,000	-	-	17,786	6,442,087
General government - judicial	9,117,157	-	-	-	-	-	-	2,858,703	11,975,860
Public safety	6,604,891	-	-	-	-	-	-	264,438	6,869,329
Corrections	13,771,790	-	-	-	-	-	-	3,721,406	17,493,196
Public works	1,206,263	-	-	-	-	-	-	2,235,193	3,441,456
Human services	4,856,842	38,905,064	11,770,989	10,463,635	-	-	-	8,624,538	74,621,068
Culture and recreation	617,705	-	-	-	-	-	-	590,534	1,208,239
Conservation and development	1,192,298	-	-	-	-	-	-	1,148,365	2,340,663
Employee benefits	2,767,190	-	-	-	-	-	-	-	2,767,190
Emergency communication services	-	-	-	-	-	-	-	3,433,463	3,433,463
Debt service	2,630	-	-	-	-	4,609,103	-	-	4,611,733
Capital projects	-	-	-	-	524,171	-	-	-	524,171
Total Expenditures	46,558,067	38,905,064	11,770,989	10,463,635	527,171	4,609,103	-	22,894,426	135,728,455
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	13,995,628	-	(1,945,776)	(350,000)	(526,755)	(4,609,103)	-	(3,044,429)	3,519,565
Other Financing Sources/(Uses)									
Proceeds from notes payable	-	-	-	-	3,000,000	-	-	-	3,000,000
Operating transfers in	722,564	-	1,945,776	350,000	-	5,250,202	-	3,709,613	11,978,155
Operating transfers (out)	(11,639,404)	-	-	-	-	-	-	(533,876)	(12,173,280)
Total Other Financing Sources/(Uses)	(10,916,840)	-	1,945,776	350,000	3,000,000	5,250,202	-	3,175,737	2,804,875
(Deficiency)/Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	3,078,788	-	-	-	2,473,245	641,099	-	131,308	6,324,440
Fund Balance/(Deficit) - Beginning of Year	(2,275,316)	-	-	-	8,877	2,561,346	-	3,060,409	3,355,316
Fund Balance/(Deficit) - End of Year	\$ 803,472	\$ -	\$ -	\$ -	\$ 2,482,122	\$ 3,202,445	\$ 3,191,717	\$ -	\$ 9,679,756

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, 2017

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

Net change in fund balance - total governmental funds (page 8)	\$ 6,324,440
 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.)	 25,652
 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	 (102,357)
 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.	 51,560
 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.	 (3,942,595)
 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.	 (176,927)
 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	 208,781
 The net effect of various transactions involving capital assets, (i.e. purchases, disposals, depreciation, etc.) is to increase net position	 (321,782)
 Notes receivable recorded as cash outlays in the funds	 <u>175,443</u>
 Change in net position of governmental activities (page 5)	 <u><u>\$ 2,242,215</u></u>

COUNTY OF CAMBRIA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
DECEMBER 31, 2017

	Business-type Activities Enterprise Funds Central Park Complex	Governmental Activities Internal Service
<u>ASSETS AND DEFERRED OUTFLOWS</u>		
Current Assets		
Cash and cash equivalents	\$ 7,330	\$ 1,855,791
Accounts receivable	2,300	902,503
Due from other funds	202,709	-
Total Current Assets	212,339	2,758,294
Non-current Assets		
Fixed assets (net of accumulated depreciation and amortization)	3,033,794	-
Total Assets	3,246,133	2,758,294
Deferred Outflows		
Bond issue discount	28,267	-
Total Assets and Deferred Outflows	<u>\$ 3,274,400</u>	<u>\$ 2,758,294</u>
<u>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</u>		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 56,630	\$ 1,161,332
Accrued interest	52,688	-
Compensated absences	9,348	-
Bonds and notes payable	197,505	-
Due to other governments	-	25,642
Due to other funds	-	1,571,320
Total Current Liabilities	316,171	2,758,294
Non-current Liabilities		
Compensated absences	1,895	-
Bonds and notes payable	2,843,387	-
Total Non-current Liabilities	2,845,282	-
Deferred Inflows		
Bond issue premium, net	112,947	-
Total Deferred Inflows	112,947	-
Net Position		
Investment in capital assets, net of related debt	(144,466)	-
Unrestricted	144,466	-
Total Net Position	-	-
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 3,274,400</u>	<u>\$ 2,758,294</u>

COUNTY OF CAMBRIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Business-type Activities Enterprise Funds Central Park Complex	Governmental Activities Internal Service
Operating Revenues:		
Charges for service	\$ -	\$ 12,416,220
Rental income	649,269	-
Total Operating Revenues	649,269	12,416,220
Operating Expenses:		
Depreciation and amortization	200,003	-
Maintenance and operating	578,196	12,431,964
Total Operating Expenses	778,199	12,431,964
Operating Income/(Loss)	(128,930)	(15,744)
Non-Operating Revenues/(Expenses):		
Investment income	124	15,744
Other income	65,000	-
Interest expense	(131,319)	-
Total Non-Operating Revenues/(Expenses)	(66,195)	15,744
Income/(Loss) Before Transfers	(195,125)	-
Other Financing Sources/(Uses):		
Operating transfers in	195,125	-
Operating transfers (out)	-	-
Total Other Financing Sources/(Uses)	195,125	-
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, 2017

	Business-type Activities Enterprise Funds		Governmental Activities
	Central Park Complex	Total	Internal Service
Cash Flows From Operating Activities			
Cash received from customers	\$ 662,373	\$ 662,373	\$ -
Cash received from interfund services provided	-	-	14,219,857
Cash payments to employees for services	(172,570)	(172,570)	-
Cash payments to suppliers for goods and services	(398,416)	(398,416)	(12,564,942)
Net Cash Provided By Operating Activities	91,387	91,387	1,654,915
Cash Flows From Non-Capital Financing Activities			
Transfers in from other funds	260,125	260,125	-
Net Cash Provided By Non-Capital Financing Activities	260,125	260,125	-
Cash Flows From Capital and Related Financing Activities			
Purchase of property and equipment	(105,534)	(105,534)	-
Payment on debt (net)	(245,559)	(245,559)	-
Interest paid	(135,475)	(135,475)	-
Net increase/(decrease) in interfund payables	140,212	140,212	(763,405)
Net Cash (Used For) Capital and Related Financing Activities	(346,356)	(346,356)	(763,405)
Cash Flows From Investing Activities			
Interest on cash equivalents	124	124	15,744
Net Cash Provided By Investing Activities	124	124	15,744
Net Increase in Cash and Cash Equivalents	5,280	5,280	907,254
Cash and Cash Equivalents Beginning of Year	2,050	2,050	948,537
Cash and Cash Equivalents at End of Year	\$ 7,330	\$ 7,330	\$ 1,855,791

COUNTY OF CAMBRIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Business-Type Activities Enterprise Funds		Governmental Activities
	Central Park Complex	Total	Internal Service
Reconciliation of Operating Income to Net Cash (Used For)/Provided By Operating Activities:			
Operating (Loss)	\$ (128,930)	\$ (128,930)	\$ (15,744)
Adjustments to reconcile operating income to net cash provided by/(used in) operating activities:			
Depreciation	200,003	200,003	-
Changes in assets, deferred outflows, liabilities and deferred inflows:			
Decrease in accounts receivable	13,566	13,566	1,803,637
Increase/(Decrease) in accounts payable and accrued liabilities	7,068	7,068	(132,978)
(Decrease) in unearned revenue	(462)	(462)	-
Increase in accrued vacation	142	142	-
Total Adjustments	220,317	220,317	1,670,659
Net Cash Provided By Operating Activities	<u>\$ 91,387</u>	<u>\$ 91,387</u>	<u>\$ 1,654,915</u>

COUNTY OF CAMBRIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2017

	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	\$ 38,336	\$ 40,130	\$ 583,632
Investments	-	-	-
Accounts receivable	-	8,633	-
Due from other governments	-	2,786	-
	<u> </u>	<u> </u>	<u> </u>
Total Assets and Deferred Outflows	<u>\$ 38,336</u>	<u>\$ 51,549</u>	<u>\$ 583,632</u>
<u>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</u>			
Liabilities			
Due to other governments	\$ 9,340	\$ 7,011	\$ 583,632
Other liabilities	28,996	10,118	-
Due to other funds	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>38,336</u>	<u>17,129</u>	<u>583,632</u>
Net Position			
Restricted (Note 1M)	-	34,420	-
	<u> </u>	<u> </u>	<u> </u>
Total Net Position	<u>-</u>	<u>34,420</u>	<u>-</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 38,336</u>	<u>\$ 51,549</u>	<u>\$ 583,632</u>

COUNTY OF CAMBRIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2017

	<u>Register of Wills</u>	<u>Sheriff's Office</u>	<u>Office of the Prothonotary</u>
<u>ASSETS AND DEFERRED OUTFLOWS</u>			
Assets			
Cash and cash equivalents	\$ 111,233	\$ 262,990	\$ 166,602
Investments	-	-	-
Accounts receivable	-	-	-
Due from other governments	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Assets and Deferred Outflows	<u>\$ 111,233</u>	<u>\$ 262,990</u>	<u>\$ 166,602</u>
<u>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</u>			
Liabilities			
Due to other governments	\$ 111,233	\$ 57,235	\$ 25,583
Other liabilities	-	205,755	141,019
Due to other funds	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>111,233</u>	<u>262,990</u>	<u>166,602</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>\$ 111,233</u>	<u>\$ 262,990</u>	<u>\$ 166,602</u>

COUNTY OF CAMBRIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2017

	Clerk of Courts	Domestic Relations Support	Intermediate Punishment Unit
	<u>ASSETS AND DEFERRED OUTFLOWS</u>		
Assets			
Cash and cash equivalents	\$ 727,200	\$ 175,651	\$ 80,986
Investments	-	-	-
Accounts receivable	-	-	-
Due from other governments	-	-	-
	<u>727,200</u>	<u>175,651</u>	<u>80,986</u>
Total Assets and Deferred Outflows	<u>\$ 727,200</u>	<u>\$ 175,651</u>	<u>\$ 80,986</u>
	<u>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</u>		
Liabilities			
Due to other governments	\$ 413,812	\$ -	\$ -
Other liabilities	313,388	175,651	80,986
Due to other funds	-	-	-
	<u>727,200</u>	<u>175,651</u>	<u>80,986</u>
Total Liabilities	<u>727,200</u>	<u>175,651</u>	<u>80,986</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>\$ 727,200</u>	<u>\$ 175,651</u>	<u>\$ 80,986</u>

COUNTY OF CAMBRIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2017

	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	\$ 905,622	\$ -	\$ 3,092,382
Investments	201,488,621	810,256	202,298,877
Accounts receivable	274,978	6,643	290,254
Due from other governments	<u>-</u>	<u>-</u>	<u>2,786</u>
Total Assets and Deferred Outflows	<u>\$ 202,669,221</u>	<u>\$ 816,899</u>	<u>\$ 205,684,299</u>
<u>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</u>			
Liabilities			
Due to other governments	\$ -	\$ -	\$ 1,207,846
Other liabilities	131,319	760	1,087,992
Due to other funds	<u>33,983</u>	<u>-</u>	<u>33,983</u>
Total Liabilities	<u>165,302</u>	<u>760</u>	<u>2,329,821</u>
Net Position			
Restricted (Note 1m)	<u>202,503,919</u>	<u>816,139</u>	<u>203,354,478</u>
Total Net Position	<u>202,503,919</u>	<u>816,139</u>	<u>203,354,478</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 202,669,221</u>	<u>\$ 816,899</u>	<u>\$ 205,684,299</u>

COUNTY OF CAMBRIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
WORKERS' COMPENSATION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

Revenues	
Interest income	\$ 25,407
Net (depreciation) in fair value of investments	<u>(4,441)</u>
Total Revenues	<u>20,966</u>
Expenses	
Operating expenses	<u>3,303</u>
Total Expenses	<u>3,303</u>
Excess/(Deficiency) of Revenues Over Other Financing Sources/(Uses)	17,663
Net Position:	
Beginning of Year	<u>798,476</u>
End of Year	<u><u>\$ 816,139</u></u>

COUNTY OF CAMBRIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
RETIREMENT TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

Additions

Contributions:

Employer	\$ 2,610,651
Employee	<u>2,823,824</u>

Total Contributions	<u>5,434,475</u>
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Investment Income:

Interest	907,996
Dividends	3,957,803
Net appreciation in fair value of investments	<u>23,722,196</u>

28,587,995

Less: Investment expense	<u>587,352</u>
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Net investment income	<u>28,000,643</u>
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Total Additions	<u>33,435,118</u>
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Deductions

Benefits	14,824,892
Administrative expenses	<u>70,644</u>

Total Deductions	<u>14,895,536</u>
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Increase in Net Position	18,539,582
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Net Position:

Beginning of Year	<u>183,964,337</u>
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End of Year	<u><u>\$ 202,503,919</u></u>
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COUNTY OF CAMBRIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

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, 2017.

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, 2017.

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, 2017.

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, 2017.

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, 2017.

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 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
100 Franklin Street
Suite 300
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.

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.

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 restricted for a particular purpose; the accumulation of resources for, and payment of debt; and the acquisition or construction of major capital facilities.

Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net 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 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, 2017, but were levied to finance 2017 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, 2017 were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
<u>Governmental Fund Types</u>		
General Fund	\$ <u>6,393,598</u>	\$ <u>5,119,951</u>
Special Revenue Funds		
911 Emergency Communications	---	432,983

Domestic Relations	---	232,071
Juvenile Probation	71,114	---
Booking Center	---	709,075
Farmland Preservation	---	4,926
HMER A	---	1
Emergency Management Agency	---	2,502
DUI	---	15,958
Substance Abuse	---	86,335
Clerk of Courts Automation	---	270
Prothonotary Automation	---	475
Register of Wills Automation	---	540
Parks and Playgrounds	---	30,871
Area Agency on Aging	655,509	---
Foster Grandparents	---	7,206
Children and Youth	---	2,615,838
Drug and Alcohol	153,802	---
Human Services	8,959	---
Behavioral Health/Intellectual Disabilities & Early Intervention	<u>176,169</u>	<u>---</u>
Total Special Revenue Funds	<u>1,065,553</u>	<u>4,139,051</u>
Debt Service Fund	<u>3,202,445</u>	<u>---</u>
Total Governmental Fund Types	<u>10,661,596</u>	<u>9,259,002</u>
<u>Proprietary Fund Types</u>		
Central Park Complex	202,709	---
Internal Service	<u>---</u>	<u>1,571,320</u>
Total Proprietary Fund Types	<u>202,709</u>	<u>1,571,320</u>
<u>Fiduciary Fund Types</u>		
Retirement Trust Fund	<u>---</u>	<u>33,983</u>
Total Fiduciary Fund Types	<u>---</u>	<u>33,983</u>
Total Interfunds	<u>\$ 10,864,305</u>	<u>\$ 10,864,305</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:

Debt Service Fund

Restricted – Tax Assessment \$ 3,202,445

These funds include money collected by the County which are restricted for debt service, at a rate of 5 mills in 2017.

Liquid Fuels Tax Fund

Restricted – PA Department of Transportation \$ 1,697,071

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 \$ 484,206

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

Act 152 Fund

Restricted – PA General Assembly \$ 89,096

These funds include money collected by the County Recorder of Deeds which are restricted under Pennsylvania Act 152 of 2016.

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, 2017:

Primary Government

Restricted by Tax Assessment	\$ <u>3,202,445</u>
Restricted by PA Department of Transportation	\$ <u>2,181,277</u>
Restricted by PA General Assembly	\$ <u>89,096</u>

Fiduciary Funds

Retirement Trust Fund	\$ <u>202,503,919</u>
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This represents funds restricted for retirement fund use for the future payment of members’ benefits.

Workers’ Compensation Trust	\$ <u>816,139</u>
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This represents funds restricted to fund workers’ compensation claims.

Prison Canteen/Resident	\$ <u>34,420</u>
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This represents funds restricted for the welfare of prison inmates.

Component Units

Cambria Library Association \$ 618,836

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 \$ 2,322,202

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.

War Memorial Arena Authority \$ 233

This represents funds restricted for the veteran's museum and seat plaques for veterans.

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, 2017</u>
Current Assets	\$ 1,285,733
Total Assets	14,356,272
Deferred Outflows of Resources	32,677
Current Liabilities	1,196,555
Total Liabilities	11,855,347
Net Position	2,533,602
Operating Revenues	1,104,668
Operating Expenses	(1,594,256)
Non-Operating Revenues	72,082
Non-Operating Expenses	(270,448)
Capital Contributions	317,222
Change in Net Position	(370,732)

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 16 for further details.

u. New GASB Pronouncements

In the current year, the County has implemented GASB Statement No. 74, *Financial Reporting for Postemployment Benefits Other Than Pension Plans*. This Statement improves the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. The adoption of this statement had no effect on previously reported amounts.

In the current year, the County has implemented GASB Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, 68 and 73*. This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employer (plan member) contribution requirements. The adoption of this statement had no effect on previously reported amounts.

v. Pending Changes in Accounting Principles

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The County is required to adopt Statement No. 75 for its 2018 financial statements.

In November 2016, the GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. The County is required to adopt Statement No. 83 for its 2019 financial statements.

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The County is required to adopt Statement No. 84 for its fiscal year 2020 financial statements.

In March 2017, the GASB issued Statement No. 85, *Omnibus 2017*. The County is required to adopt Statement No. 85 for its 2018 financial statements.

In May 2017, the GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*. The County is required to adopt Statement No. 86 for its 2018 financial statements.

In June 2017, the GASB issued Statement No. 87, *Leases*. The County is required to adopt Statement No. 87 for its 2020 financial statements.

In April 2018, the GASB issued Statement No. 88, *Certain Disclosures Relating to Debt, including Direct Borrowings and Direct Placements*. The County is required to adopt Statement No. 88 for its 2019 financial statements.

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 P.A.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, 2017, 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, 2017 are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and investments	\$ 12,163,181
Cash held for clients as representative payee and guardianship program	303,144
Statement of Fiduciary net position:	
Cash and investments	<u>205,391,259</u>
Total Cash and Investments	<u>\$ 217,857,584</u>

Cash and investments as of December 31, 2017 consist of the following:

Cash on hand	\$ 31,610
Deposits with financial institutions	15,527,097
Investments	<u>202,298,877</u>
Total Cash and Investments	<u>\$ 217,857,584</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>\$ 11,533,676</u>	<u>\$ 14,310,198</u>	<u>\$ 14,742,302</u>	<u>\$ 8,392,282</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	\$ 7,017,624	\$ ---	\$ ---	\$ ---	\$ ---
Agency	11,745,343	---	---	---	---
Corporate:					
Industrial	388,183	528,087	3,315,494	1,202,044	255,821
Utility	---	1,084,112	---	1,183,559	---
Finance	77,196	573,452	4,544,276	685,367	---
Yankee	---	169,830	441,117	---	---
Transportation	---	---	121,307	132,335	---
Other	<u>72,784</u>	<u>---</u>	<u>---</u>	<u>5,953,623</u>	<u>---</u>
Totals	<u>\$ 19,301,130</u>	<u>\$ 2,355,481</u>	<u>\$ 8,422,194</u>	<u>\$ 9,156,928</u>	<u>\$ 255,821</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, 2017, 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	\$ 48,978,458
Domestic Equity	106,910,036
International Equity	25,350,339
Real Estate	7,688,391
Non Traditional	12,603,885
Temporary Investment - Cash	<u>1,578,024</u>
	<u>\$ 203,109,133</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 \$25,350,339 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, 2017:

	Fair Value Measurements at Reporting Date		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Using	
December 31, 2017		Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual Funds	\$ 108,750,579	\$ ---	\$ ---
Government Obligations	---	19,860,546	---
Stocks	42,647,820	---	---
Corporate Bonds	---	18,863,304	---
Private Equity Securities	---	---	<u>12,176,628</u>
	<u>\$ 151,398,399</u>	<u>\$ 38,723,850</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 2017 was 34 mills, of which 4.5 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 27.5 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 \$5,136,731 as stated on the Governmental Funds Balance Sheet, are actual legal claims of lien properties. The County has recorded unearned taxes receivable of \$4,053,569 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 2017 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>\$7,109,200</u>	<u>\$(1,972,469)</u>	<u>\$ 5,136,731</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, 2017.

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, 2017.

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 balance of the overpayment at December 31, 2016, was \$827,786. Payments of \$187,954 were made during the 2017, and the balance of \$639,832 is included in the amounts due to other governments.

NOTE 5 - FIXED ASSETS

Capital asset activity for the year ended December 31, 2017 was as follows:

Government activities:	<u>Balance 12/31/16</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance 12/31/17</u>
Capital assets not being depreciated:				
Construction-in-progress	\$ <u>882,941</u>	\$ <u>---</u>	\$ <u>(743,017)</u>	\$ <u>139,924</u>
Total capital assets not being depreciated	<u>882,941</u>	<u>---</u>	<u>(743,017)</u>	<u>139,924</u>
Other capital assets:				
Site improvements	6,913,177	269,306	---	7,182,483
Infrastructure	14,725,074	2,229,646	---	16,954,720
Building and permanent fixtures	50,451,106	38,038	(14,733)	50,474,411
Office furniture and equipment	2,532,717	125,898	---	2,658,615
General equipment	4,901,115	261,764	(58,602)	5,104,277
Radio equipment	13,220,541	419,871	(656,057)	12,984,355
Computer hardware and software	6,537,810	356,642	(103,667)	6,790,785

Vehicles	<u>5,435,651</u>	<u>346,958</u>	<u>(119,168)</u>	<u>5,663,441</u>
Total capital assets, at cost	<u>104,717,191</u>	<u>4,048,123</u>	<u>(952,227)</u>	<u>107,813,087</u>
Less accumulated depreciation for:				
Site improvements	(1,557,168)	(241,819)	---	(1,798,987)
Infrastructure	(5,730,389)	(307,404)	---	(6,037,793)
Building and permanent fixtures	(25,979,256)	(1,186,881)	12,891	(27,153,246)
Office furniture and equipment	(1,645,756)	(202,859)	---	(1,848,615)
General equipment	(3,558,999)	(343,419)	54,911	(3,847,507)
Radio equipment	(8,207,567)	(787,313)	652,620	(8,342,260)
Computer hardware and software	(6,270,293)	(144,837)	101,150	(6,313,980)
Vehicles	<u>(3,885,678)</u>	<u>(366,803)</u>	<u>85,102</u>	<u>(4,167,379)</u>
Total accumulated Depreciation	<u>(56,835,106)</u>	<u>(3,581,335)</u>	<u>906,674</u>	<u>(59,509,767)</u>
Governmental activities capital assets, net	<u>\$ 48,765,026</u>	<u>\$ 466,788</u>	<u>\$ (788,570)</u>	<u>\$ 48,443,244</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 290,116	\$ ---	\$ ---	\$ 290,116
Construction-in-progress	<u>231,312</u>	<u>18,021</u>	<u>---</u>	<u>249,333</u>
Total capital assets not being depreciated	<u>521,428</u>	<u>18,021</u>	<u>---</u>	<u>539,449</u>
Other Capital assets:				
Buildings and permanent fixtures	6,383,472	---	---	6,383,472
Land improvements	---	125,928	---	125,928
Office furniture and equipment	6,500	---	---	6,500
Computer hardware and software	---	3,716	---	3,716
Machinery & equipment	<u>36,499</u>	<u>14,701</u>	<u>---</u>	<u>51,200</u>
Total capital assets at cost	<u>6,426,471</u>	<u>144,345</u>	<u>---</u>	<u>6,570,816</u>

Less accumulated depreciation for:

Buildings and permanent fixtures	(3,824,622)	(218,048)	---	(4,042,670)
Land improvements	---	(4,402)	---	(4,402)
Office furniture and equipment	(4,224)	(650)	---	(4,874)
Computer hardware And software	---	(103)	---	(103)
Machinery & equipment	<u>(22,515)</u>	<u>(1,907)</u>	<u>---</u>	<u>(24,422)</u>
Total accumulated depreciation	<u>(3,851,361)</u>	<u>(225,110)</u>	<u>---</u>	<u>(4,076,471)</u>
Business-type activities capital assets, net	\$ <u>3,096,538</u>	\$ <u>(62,744)</u>	\$ <u>(---)</u>	\$ <u>3,033,794</u>

COMPONENT UNITS:

Summaries of the component units' fixed assets as of December 31, 2017 follow:

	<u>Balance 12/31/16</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance 12/31/17</u>
Planning Commission:				
Equipment	\$ 28,790	\$ 1,460	\$ ---	\$ 30,250
Less: Accumulated depreciation	<u>(25,142)</u>	<u>(1,271)</u>	<u>---</u>	<u>(26,413)</u>
Total capital assets, net	\$ <u>3,648</u>	\$ <u>(189)</u>	\$ <u>---</u>	\$ <u>3,837</u>
Redevelopment Authority:				
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>(380,034)</u>	<u>(86,784)</u>	<u>---</u>	<u>(466,818)</u>
Total capital assets, net	\$ <u>1,568,766</u>	\$ <u>(86,784)</u>	\$ <u>---</u>	\$ <u>1,481,982</u>
Library Association:				
Books & audio visual	\$1,806,466	\$ 84,353	\$ (12,528)	\$ 1,878,291
Improvements	299,944	8,278	---	308,222
Furniture & equipment	130,822	2,932	---	133,754

Software	143,672	---	---	143,672
Computer equipment	169,779	5,307	---	175,086
Automobiles	<u>18,800</u>	<u>---</u>	<u>---</u>	<u>18,800</u>
Total capital assets at cost	<u>2,569,483</u>	<u>100,872</u>	<u>(12,528)</u>	<u>2,657,825</u>
Less: Accumulated depreciation	<u>(1,864,951)</u>	<u>(138,324)</u>	<u>12,528</u>	<u>(1,990,747)</u>
Total capital assets, net	<u>\$ 704,532</u>	<u>\$ (37,454)</u>	<u>\$ ---</u>	<u>\$ 667,078</u>

Municipal Airport Authority:

Land	\$ 1,909,798	\$ ---	\$ ---	\$ 1,909,798
Construction-in-progress	1,466,337	1,040,583	(802,535)	1,704,385
Land improvements	40,138,810	802,535	---	40,941,345
Building & improvements	4,236,280	---	---	4,236,280
Vehicles & equipment	<u>3,299,245</u>	<u>195,514</u>	<u>---</u>	<u>3,494,759</u>
Total capital assets at cost	<u>51,050,470</u>	<u>2,038,932</u>	<u>(802,535)</u>	<u>52,286,867</u>
Less: Accumulated depreciation	<u>(37,756,213)</u>	<u>(1,098,689)</u>	<u>---</u>	<u>(38,854,902)</u>
Total capital assets, net	<u>\$ 13,294,257</u>	<u>\$ 137,408</u>	<u>\$ ---</u>	<u>\$ 13,431,665</u>

Transit Authority:

Land – Inclined Plane	\$ 834,712	\$ 26,080	\$ ---	\$ 860,792
Construction in Progress	1,817	1,114	---	2,931
Land Improvements	34,115	---	---	34,115
Buildings & Improvements	39,449,897	115,871	(170,192)	39,395,576
Vehicles, equipment and other	<u>18,889,498</u>	<u>2,692,476</u>	<u>(356,530)</u>	<u>21,225,444</u>
Total capital assets at cost	<u>59,210,039</u>	<u>2,835,541</u>	<u>(526,722)</u>	<u>61,518,858</u>
Less: Accumulated depreciation	<u>(26,919,795)</u>	<u>(2,651,080)</u>	<u>496,639</u>	<u>(29,074,236)</u>
Total capital assets, net	<u>\$ 32,290,244</u>	<u>\$ (184,461)</u>	<u>\$ (30,083)</u>	<u>\$ 32,444,622</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>(74,161)</u>	<u>(8,636)</u>	<u>---</u>	<u>(82,797)</u>

Total capital assets, net	\$ <u>146,035</u>	\$ <u>(8,636)</u>	\$ <u>---</u>	\$ <u>137,399</u>
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**Conservation & Recreation
Authority:**

Land	\$ 6,491,102	\$ 800	\$ ---	\$ 6,491,902
Construction in Progress	66,162	1,151,754	---	1,217,916
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>7,725,590</u>	<u>1,152,554</u>	<u>---</u>	<u>8,878,144</u>
Less: Accumulated depreciation	<u>(363,178)</u>	<u>(30,753)</u>	<u>---</u>	<u>(393,931)</u>
Total capital assets, net	\$ <u>7,362,412</u>	\$ <u>1,121,801</u>	\$ <u>---</u>	\$ <u>8,484,213</u>

**Pennsylvania Highlands
Community College:**

Equipment	\$ 4,470,111	\$ 150,333	\$ (35,509)	\$ 4,584,934
Construction-In-Progress	135,308	201,785	(263)	336,831
Leasehold improvements	12,819,307	62,228	---	12,881,535
Computer software	<u>230,076</u>	<u>10,090</u>	<u>---</u>	<u>240,166</u>
Total capital assets at cost	<u>17,654,802</u>	<u>424,436</u>	<u>(35,772)</u>	<u>18,043,466</u>
Less: Accumulated depreciation	<u>(7,904,502)</u>	<u>(931,031)</u>	<u>31,261</u>	<u>(8,804,272)</u>
Total capital assets, net	\$ <u>9,750,300</u>	\$ <u>(506,595)</u>	\$ <u>(4,511)</u>	\$ <u>9,239,194</u>

War Memorial Arena Authority:

Equipment	\$ 452,594	\$ 1,762	\$ ---	\$ 454,356
Leasehold improvements	<u>1,194,185</u>	<u>234,451</u>	<u>---</u>	<u>1,428,636</u>
Total capital assets at cost	<u>1,646,779</u>	<u>236,213</u>	<u>---</u>	<u>1,882,992</u>
Less: Accumulated depreciation	<u>(695,207)</u>	<u>(71,021)</u>	<u>---</u>	<u>(766,228)</u>
Total capital assets, net	\$ <u>951,572</u>	\$ <u>162,192</u>	\$ <u>---</u>	\$ <u>1,116,764</u>

**Behavioral Health of Cambria
County:**

Equipment	\$ 32,103	\$ ---	\$ ---	\$ 32,103
Vehicles	<u>17,538</u>	<u>---</u>	<u>---</u>	<u>17,538</u>
Total capital assets at cost	<u>49,642</u>	<u>---</u>	<u>---</u>	<u>49,642</u>
Less: Accumulated depreciation	<u>(35,949)</u>	<u>(5,796)</u>	<u>---</u>	<u>(41,593)</u>
Total capital assets, net	\$ <u>13,693</u>	\$ <u>(5,796)</u>	\$ <u>---</u>	\$ <u>8,049</u>

NOTE 6 - EMPLOYEE RETIREMENT TRUST PLANPlan 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, 2017, the date of the latest actuarial valuation:

Retirees and Beneficiaries Receiving Benefits	1,103
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	137
Active Plan Members	<u>650</u>
	<u>1,890</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, 2017
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Market Value of Assets
Actuarial Assumptions:	
Investment Rate of Return	7.00%, changed from 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 2017 was determined as part of the December 31, 2016, actuarial valuation. The County's annual required contribution and net pension obligation to the Cambria County Employee's Retirement System were \$2,610,651 for 2017. The Entry Age Normal actuarial cost method was used to determine the annual required contribution.

Funded Status and Funding Progress

As of December 31, 2017, the most recent actuarial valuation date, the Plan was valued under the Entry Age Actuarial Cost Method. Under this basis, the Plan was eighty-seven percent (87%) funded. The Entry Age actuarial accrued liability for benefits was \$233.5 million, and the actuarial value of assets was \$202.5 million, resulting in an unfunded Entry Age actuarial accrued liability (UAAL) of \$31.0 million. The covered payroll (annual payroll of active employees covered by the Plan) was \$25.6 million and the ratio of the UAAL to the covered payroll was one hundred twenty-one percent (121%).

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. 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 12/31/16	\$223,362,348	\$183,964,336	\$39,398,012
Changes for the year:			
Service cost	4,168,271	---	4,168,271
Interest	14,533,018	---	14,533,018
Difference between expected and actual experience	1,557,418	---	1,557,418
Assumption Changes	4,694,855	---	4,694,855
Contributions – employer	---	2,610,651	(2,610,651)
Contributions – employee	---	2,823,824	(2,823,824)
Net investment income	---	28,000,943	(28,000,943)
Benefit payments	(14,799,120)	(14,799,120)	---
Administrative expenses	---	(96,716)	96,716
Net changes	10,154,442	18,539,582	(8,385,140)
Balances at 12/31/17	\$233,516,790	\$202,503,918	\$31,012,872

Since the prior measurement date of December 31, 2016, the actuarial assumption for investment rate of return change from 7.25% to 7.00%.

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 7.00%, 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 (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	-1% (6.00%)	Current Discount Rate (7.00%)	+1% (8.00%)
Net pension liability	\$52,002,360	\$31,012,872	\$13,379,045

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

For the year ended December 31, 2017, the County recognized pension expense of \$6,553,245. At December 31, 2017, 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	\$ 1,168,064	\$ (274,029)
Change of assumptions	5,463,260	---
Net difference between projected and actual earnings on pension plan investments	6,738,900	(12,908,739)
Total	<u>\$13,370,224</u>	<u>\$(13,182,768)</u>

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

2018	\$3,579,503
2019	1,347,866
2020	(1,739,811)
2021	(3,000,101)

Rate of Return on Investments

For the 2017 measurement period, the annual money-weighted rate of return on the County's pension plan investments, net of pension plan investment expense, was 15.62%. 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, 2017 Actual Allocation</u>
Equities	60.0%	65.6%
Fixed Income	30.0%	24.3%
Master Limited Partnerships	5.0%	3.8%
Non-Traditional	<u>5.0%</u>	<u>6.3%</u>
TOTAL	<u>100.0%</u>	<u>100.0%</u>

Concentrations

As of December 31, 2017, 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>
DFA International Core Eqty	\$ 12,717,189
Vanguard Intl GR FD ADM CL #581	\$ 12,633,152
Vanguard Russell 1000 Growth Index Instl	\$ 30,478,182
Vanguard Russell 1000 Value Index Instl	\$ 33,174,226
Ironside Fund III LP	\$ 13,581,502

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	\$ 3,791,846
Interest on Net OPEB Obligation	(5,604)
Adjustment to Annual Required Contribution	<u>5,500</u>
Annual OPEB Cost (Expense)	3,791,742
Contributions Made or Accrued	<u>(3,614,815)</u>
Increase in Net Obligation	176,927
Net OPEB (Asset) 1/1/2017	<u>(77,294)</u>
 Net OPEB Liability 12/31/2017	 \$ <u>99,633</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 is as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of OPEB Cost</u>	<u>Net OPEB Obligation</u>
12/31/17	\$3,791,742	95.3%	\$ 99,633
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)

Funded Status and Funding Progress

As of December 31, 2017, the most recent measurement date, the plan was 0% funded. The actuarial accrued liability for benefits was \$49,140,073 and the actuarial value of assets was \$0 resulting in an unfunded actuarial accrued liability (UAAL) of \$49,140,073. The estimated covered payroll (annual payroll of active employees covered by the plan) was \$24,752,000 and the ratio of the UAAL to the covered payroll was one hundred ninety-nine percent (199%).

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 January 1, 2017, 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 4.5%. 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 2017, 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, 2017, is \$332,322, 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, 2017 and 2016:

<u>Year</u>	<u>January 1, Liability</u>	<u>Net Incurred/(Settled) Claims</u>	<u>Payments</u>	<u>December 31, Liability</u>
2017	\$ <u>393,325</u>	\$ <u>(533,406)</u>	\$ <u>472,403</u>	\$ <u>332,322</u>
2016	\$ <u>422,951</u>	\$ <u>(939,554)</u>	\$ <u>909,928</u>	\$ <u>393,325</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, 2017, 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 \$999,711 at December 31, 2017.

Transit Authority

Capital grant contributions from federal and state governments amounted to \$2,834,426 for the Transit Authority at June 30, 2017.

NOTE 10 – LONG-TERM OBLIGATIONS

Long-term liability activity for the year ended December 31, 2017, was as follows:

	Balance 12/31/16	Additions	Reductions	Balance 12/31/17	Amounts Due Within One Year
Governmental Activities:					
Bonds and Notes Payable:					
2014 General Obligation Bonds	\$ 26,687,498	\$ ---	\$ (2,573,636)	\$ 24,113,862	\$ 2,699,521
2015 General Obligation Bond	38,558	---	(9,399)	29,159	9,708
2015 General Obligation Bond	39,755	---	(9,688)	30,067	10,007
2016 General Obligation Notes	17,912,883	---	(32,637)	17,880,246	27,974
2017 General Obligation Note	---	3,000,000	---	3,000,000	2,767,141
Other Liabilities:					
Accrued Vacation	1,701,185	35,351	---	1,736,536	1,736,536
Accrued Sick Pay	393,321	---	---	393,321	---
OPEB Obligation	(77,294)	176,927	---	99,633	---
Estimated Workers' Compensation Liability	<u>393,325</u>	<u>---</u>	<u>(61,003)</u>	<u>332,322</u>	<u>---</u>
Governmental Activities Long-term Liabilities	<u>\$ 47,089,231</u>	<u>\$ 3,212,278</u>	<u>\$ (2,686,363)</u>	<u>\$ 47,615,146</u>	<u>\$ 7,250,887</u>
	Balance 12/31/16	Additions	Reductions	Balance 12/31/17	Amounts Due Within One Year
Business-type Activities:					
Bonds and Notes Payable:					
2014 General Obligation Bonds	\$ 1,932,502	---	(\$186,364)	\$ 1,746,138	\$ 195,479
2016 General Obligation Bonds	1,297,117	---	(2,363)	1,294,754	2,026
Other Liabilities:					
Accrued Vacation Pay	8,480	868	---	9,348	9,348
Accrued Sick Pay	<u>2,621</u>	<u>---</u>	<u>(726)</u>	<u>1,895</u>	<u>---</u>
Business-type Activities Long-term Liabilities	<u>\$ 3,240,720</u>	<u>\$ 868</u>	<u>\$ (189,453)</u>	<u>\$ 3,052,135</u>	<u>\$ 206,853</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.

General Obligation Note, Series of 2017

In December 2017, the County issued General Obligation Note, Series of 2017 in the amount of \$3,000,000 with an interest rate of 1.79%. Principal and interest are payable in thirteen (13) monthly payments. The proceeds were used for various capital improvements and purchases.

Debt Maturity

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

	<u>Principal Requirements</u>	<u>Interest Requirements</u>	<u>Total Debt Service Requirements</u>
2014 General Obligation Bond			
<u>Years Ending December 31:</u>			
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	3,455,000	769,100	4,224,100
2023-2027	8,150,000	1,456,450	9,606,450
2028-2030	<u>1,920,000</u>	<u>171,250</u>	<u>2,091,250</u>
	<u>\$ 25,860,000</u>	<u>\$ 7,894,100</u>	<u>\$ 33,754,100</u>
To be Retired by:			
Business-Type Activities	\$ 1,746,138	\$ 533,031	\$ 2,279,169
Governmental Activities	<u>24,113,862</u>	<u>7,361,069</u>	<u>31,474,931</u>
	<u>\$ 25,860,000</u>	<u>\$ 7,894,100</u>	<u>\$ 33,754,100</u>
2016 General Obligation Notes			
<u>Years Ending December 31:</u>			
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	30,000	661,776	691,776
2023-2027	11,725,000	2,705,033	14,430,033
2028-2029	<u>7,310,000</u>	<u>341,389</u>	<u>7,651,389</u>
	<u>\$ 19,175,000</u>	<u>\$ 6,361,851</u>	<u>\$ 25,536,851</u>
To be Retired by:			
Business-Type Activities	\$ 1,294,754	\$ 429,571	\$ 1,724,325
Governmental Activities	<u>17,880,246</u>	<u>5,932,280</u>	<u>23,812,525</u>
	<u>\$ 19,175,000</u>	<u>\$ 6,361,851</u>	<u>\$ 25,536,851</u>

NOTE 11 - CAPITAL LEASES

	Balance 12/31/16	Additions	Reductions	Balance 12/31/17	Amounts Due Within One Year
Governmental Activities:					
Capital Leases:					
2008 Equipment Lease	\$ 360,285	---	\$ (42,397)	\$ 317,888	\$ 46,166
Governmental Activities Capital Leases	\$ 360,285	\$ ---	\$ (42,397)	\$ 317,888	\$ 46,166

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.

2018	\$ 46,166
2019	50,164
2020	54,395
2021	58,862
2022	63,586
Thereafter	<u>44,715</u>
	<u>\$ 317,888</u>
To be retired by:	
Government Type Activities	<u>\$ 317,888</u>

NOTE 12 - COMMITMENTS AND CONTINGENCIES

Component Units

Redevelopment Authority of Cambria County

Guarantees of Indebtedness

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

NOTE 13 - COMPENSATED ABSENCES

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

Vacation Pay

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

PTO (Paid-Time-Off)

Starting in 2010, all management, middle management, and non-union employees began earning PTO days instead of vacation, sick, personal or floating holidays. PTO time is earned at various rates based on length of service. The appropriate amount of PTO time is credited to the employee's account on January 1st of each year. Employees are encouraged to utilize their time as needed however they are permitted to rollover up to ten (10) unused PTO days per year on December 31. These ten (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 14 - EXPENDITURES IN EXCESS OF BUDGET

For the year ended December 31, 2017, the following funds' expenditures exceeded budget by the following amounts:

<u>Fund</u>	<u>Amount</u>
Booking Center	\$ 30,545
Farmland Preservation	\$ 1,744
DUI	\$ 48,908
Hotel Tax Fund	\$ 7,517
Area Agency on Aging	\$ 147,664
Children & Youth	\$ 97,392
Behavioral Health/ ID	\$ 163,855
Central Park Complex	\$ 63,950
Health Care Self Insurance	\$ 510,964

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

NOTE 15 - ACCOUNTABILITY

The following funds had deficit fund balances or net position as of December 31, 2017.

<u>Fund</u>	<u>Amount</u>
Booking Center	\$ 705,991
Parks and Playground	\$ 30,871

NOTE 16 - RELATED PARTY TRANSACTIONS

County Appropriations to Component Units:

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

Cambria County Planning Commission	\$ <u>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>769,002</u>
Cambria County Solid Waste Management Authority	\$ <u>340,700</u>
Cambria County Conservation and Recreation Authority	\$ <u>155,000</u>
Pennsylvania Highlands Community College	\$ <u>1,363,521</u>
Cambria County War Memorial Arena Authority	\$ <u>88,340</u>

County Appropriations to Related Organizations:

Cambria County Child Development Corp.	\$ <u>3,453,701</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 2016 totaled \$1,777,304. The County advanced an additional \$175,443 in 2017, resulting in a total loan receivable balance of \$1,952,747 as of December 31, 2017. 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. The management agreement was further amended, effective July 1, 2017.

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. Incentive fees in the amounts of \$11,750 and \$0 for the years ended June 30, 2017 and 2016, respectively, were due to SMG and are included in the current portion of the amount due to the management company on the Statements of Financial Position.

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.

Management and Other Payable to SMG Settlement

As of June 30, 2014, SMG was 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 \$318,630 for these expenses. A \$150,000 payment was made to SMG directly by Cambria County. 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. The balance due to SMG was \$174,904 and \$196,767 at June 30, 2017 and 2016, 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 17 - CASH HELD FOR CLIENTS

In the operation of the representative payee program, the County receives cash on behalf of its clients. Such cash is used to pay the related bills and expenses of each participant. This cash is merely held for others and is not available to fund operations of the County. Accordingly, the balances in the accounts are recorded as an asset, cash held for clients as representative payee and guardianship program of \$303,144 as of December 31, 2017. An offsetting liability is recorded, reserved cash held for clients as representative payee and guardianship program, in the accompanying governmental funds balance sheet.

NOTE 18 - 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. During 2017, the \$764,706 held in escrow was refunded to Duke LifePoint. A credit of \$155,601 was applied to tax year 2017 and a credit of \$155,601 will be applied to tax year 2018. The 2018 amount is 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 19 - SUBSEQUENT EVENTS

Tax Anticipation Note

In January 2018, the County issued a tax and revenue anticipation note of \$10,000,000 with an interest rate of 1.74%. The due date of the note is December 31, 2018.

Tax Rates

Effective January 1, 2018, the County approved a millage decrease on property taxes within the County. The approval reflects a .5 mill decrease from 34.0 mills to 33.5 mills.

Subsequent events were evaluated through June 18, 2018, 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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total pension liability										
Service cost	\$ 4,168,271	\$ 4,242,364	\$ 4,275,209	\$ 4,161,171						
Interest	14,533,018	14,250,805	13,741,605	13,437,290						
Differences between expected and actual experience	1,557,418	(542,492)	(11,131)	-						
Change in assumptions	4,694,855	-	7,768,474	-						
Benefit payments	(14,799,120)	(14,043,814)	(13,084,781)	(12,117,503)						
Net change in pension liability	10,154,442	3,906,863	12,689,376	5,480,958	-	-	-	-	-	-
Total pension liability/(asset) - beginning	223,362,348	219,455,485	206,766,109	201,285,151						
Total pension liability/(asset) - ending (A)	\$ 233,516,790	\$ 223,362,348	\$ 219,455,485	\$ 206,766,109	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position										
Contributions - employer	2,610,651	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
Contributions - member	2,823,824	2,700,332	2,747,588	2,697,915	2,643,986	2,605,602	2,559,625	2,523,952	3,555,827	3,719,319
Net investment income	28,000,943	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)
Benefit payments	(14,799,120)	(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)
Administrative expenses	(96,718)	(94,473)	(84,377)	(80,771)	(85,507)	(91,459)	(87,181)	(89,395)	(66,835)	(59,665)
Other	-	-	-	-	(110,089)	10,872	(26,188)	7,354	(19,357)	(302,904)
Net change in plan fiduciary net position	18,539,580	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)
Plan fiduciary net position - beginning	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
Plan fiduciary net position - ending (B)	\$ 202,503,918	\$ 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
County's net pension liability/(asset) - ending (A-B)	\$ 31,012,872	\$ 39,398,010	\$ 40,777,551	\$ 17,697,671						
Plan fiduciary net position as a percentage of the total pension liability	87%	82%	81%	91%						
Covered employee payroll	\$ 25,615,030	\$ 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
County's net pension liability as a percentage of covered employee payroll	121%	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.

COUNTY OF CAMBRIA
EMPLOYEE RETIREMENT PLAN
SCHEDULE OF COUNTY CONTRIBUTIONS

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarially determined contribution	\$ 2,610,651	\$ 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
Contributions in relation to the actuarially determined contributions	2,610,651	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
Contribution deficiency/(excess)	-	-	-	-	-	-	-	-	-	-
Covered employee payroll	\$25,305,286	\$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
County's contributions as a percentage of covered employee payroll	10.32%	9.98%	8.68%	9.26%	8.82%	8.87%	8.51%	8.75%	4.60%	0.67%

Notes to Schedule:

Valuation Date:

12/31/2017

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	3.50%
Investment rate of return	7.00%
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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Annual money-weighted rate of return, net of investment expense	15.62%	8.12%	-1.21%	6.69%	17.81%	10.44%	0.36%	12.30%	15.56%	-23.18%

COUNTY OF CAMBRIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
Revenues				
Real estate taxes	\$ 41,616,603	\$ 41,616,603	\$ 42,072,399	\$ 455,796
Charges for services	8,145,095	8,153,470	8,020,134	(133,336)
Interest and investment income	18,500	18,500	32,882	14,382
Intergovernmental revenues	8,768,702	9,756,239	9,764,920	8,681
Other	481,064	481,899	663,360	181,461
Total Revenues	59,029,964	60,026,711	60,553,695	526,984
Expenditures				
General government - Administrative	7,238,649	7,578,153	6,421,301	1,156,852
General government - Judicial	8,880,830	9,064,454	9,117,157	(52,703)
Public safety	5,904,953	6,574,510	6,604,891	(30,381)
Corrections	13,810,986	14,033,392	13,771,790	261,602
Public works	1,186,191	1,206,208	1,206,263	(55)
Human services	4,735,000	4,735,000	4,856,842	(121,842)
Culture and recreation	919,935	949,640	617,705	331,935
Conservation and development	1,448,924	1,501,303	1,192,298	309,005
Employee benefits	3,704,972	3,652,697	2,767,190	885,507
Debt service	90,474	90,474	2,630	87,844
Total Expenditures	47,920,914	49,385,831	46,558,067	2,827,764
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	11,109,050	10,640,880	13,995,628	3,354,748
Other Financing Sources/(Uses)				
Operating transfers in	235,800	759,970	722,564	(37,406)
Operating transfers (out)	(11,344,199)	(11,400,199)	(11,639,404)	(239,205)
Total Other Financing Sources/(Uses)	(11,108,399)	(10,640,229)	(10,916,840)	(276,611)
Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	651	651	3,078,788	3,078,137
Fund Balance/(Deficit) - Beginning of Year	-	-	(2,275,316)	(2,275,316)
Fund Balance/(Deficit) - End of Year	\$ 651	\$ 651	\$ 803,472	\$ 802,821

COUNTY OF CAMBRIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - HEALTH CHOICES FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
Revenues				
Intergovernmental revenues	\$ 36,000,000	\$ 36,000,000	\$ 38,904,549	\$ 2,904,549
Charges for services	-	-	-	-
Interest and investment income	100	100	515	415
Other income	-	-	-	-
Total Revenues	36,000,100	36,000,100	38,905,064	2,904,964
Expenditures				
Human services	36,000,000	36,000,000	38,905,064	(2,905,064)
Total Expenditures	36,000,000	36,000,000	38,905,064	(2,905,064)
(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, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
Revenues				
Intergovernmental revenues	\$ 9,578,129	\$ 9,578,129	\$ 9,671,837	\$ 93,708
Charges for services	168,912	168,912	152,926	(15,986)
Interest and investment income	-	-	-	-
Other income	-	-	450	450
Total Revenues	9,747,041	9,747,041	9,825,213	78,172
Expenditures				
Human services	11,673,597	11,673,597	11,770,989	(97,392)
Total Expenditures	11,673,597	11,673,597	11,770,989	(97,392)
(Deficiency)/Excess of Revenue Over/(Under)				
Expenditures	(1,926,556)	(1,926,556)	(1,945,776)	(19,220)
Other Financing Sources/(Uses)				
Operating transfers in	1,926,556	1,926,556	1,945,776	19,220
Operating transfers (out)	-	-	-	-
Total Other Financing Sources/ (Uses)	1,926,556	1,926,556	1,945,776	19,220
Excess of Revenues and Other Financing Sources Over/(Under)				
Expenditures and Other Financing Uses	-	-	-	-
Fund Balance/(Deficit) - Beginning of Year	-	-	-	-
Fund Balance - End of Year	\$ -	\$ -	\$ -	\$ -

COUNTY OF CAMBRIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BEHAVIORAL HEALTH/INTELLECTUAL DISABILITIES & EARLY INTERVENTION FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
Revenues				
Intergovernmental revenues	\$ 9,049,780	\$ 9,049,780	\$ 9,094,186	\$ 44,406
Charges for services	900,000	900,000	1,003,323	103,323
Interest and investment income	-	-	5,157	5,157
Other income	-	-	10,969	10,969
Total Revenues	9,949,780	9,949,780	10,113,635	163,855
Expenditures				
Human services	10,299,780	10,299,780	10,463,635	(163,855)
Total Expenditures	10,299,780	10,299,780	10,463,635	(163,855)
(Deficiency)/Excess of Revenue Over/(Under)				
Expenditures	(350,000)	(350,000)	(350,000)	-
Other Financing Sources/(Uses)				
Operating transfers in	350,000	350,000	350,000	-
Operating transfers (out)	-	-	-	-
Total Other Financing Sources/ (Uses)	350,000	350,000	350,000	-
Excess of Revenues and Other Financing Sources Over/(Under)				
Expenditures and Other Financing Uses	-	-	-	-
Fund Balance/(Deficit) - Beginning of Year	-	-	-	-
Fund Balance - End of Year	\$ -	\$ -	\$ -	\$ -

COUNTY OF CAMBRIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable/ (Unfavorable)
Revenues				
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Interest and investment income	-	-	416	416
Other income	-	-	-	-
Total Revenues	-	-	416	416
Expenditures				
General government - administrative	-	3,000	3,000	-
Capital projects	-	524,171	524,171	-
Total Expenditures	-	527,171	527,171	-
(Deficiency)/Excess of Revenue Over/(Under)				
Expenditures	-	(527,171)	(526,755)	416
Other Financing Sources/(Uses)				
Proceeds from note payable	-	527,171	3,000,000	2,472,829
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Total Other Financing Sources/ (Uses)	-	527,171	3,000,000	2,472,829
Excess of Revenues and Other Financing Sources Over/(Under)				
Expenditures and Other Financing Uses	-	-	2,473,245	(2,473,245)
Fund Balance/(Deficit) - Beginning of Year	-	-	8,877	8,877
Fund Balance - End of Year	\$ -	\$ -	\$ 2,482,122	\$ (2,464,368)

COUNTY OF CAMBRIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	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	4,879,526	4,879,526	4,609,103	270,423
Total Expenditures	4,879,526	4,879,526	4,609,103	270,423
(Deficiency)/Excess of Revenue Over/(Under)				
Expenditures	(4,879,526)	(4,879,526)	(4,609,103)	270,423
Other Financing Sources/(Uses)				
Proceeds from bond refunding	-	-	-	-
Bond discount	-	-	-	-
Bond issuance costs	-	-	-	-
Payment to refunding escrow agent	-	-	-	-
Operating transfers in	4,879,526	4,879,526	5,250,202	370,676
Operating transfers (out)	-	-	-	-
Total Other Financing Sources/ (Uses)	4,879,526	4,879,526	5,250,202	370,676
Excess of Revenues and Other Financing Sources Over/(Under)				
Expenditures and Other Financing Uses	-	-	641,099	(641,099)
Fund Balance/(Deficit) - Beginning of Year	-	-	2,561,346	2,561,346
Fund Balance - End of Year	\$ -	\$ -	\$ 3,202,445	\$ 1,920,247

SUPPLEMENTARY
INFORMATION

COUNTY OF CAMBRIA
NONMAJOR FUNDS

The following are the County's nonmajor funds, for the year ending December 31, 2017:

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.

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.

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 \$1,750 appraisal security deposit. If the farmer opts into the program, the \$1,750 deposit is returned. If refused, the \$1,750 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 HMERA 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 additional 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 30th. 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.

ACT 152: The Recorder of Deeds for the County collects \$15 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 with demolition of blighted housing.

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).

COUNTY OF CAMBRIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2017

	911 Emergency Communication Fund	Domestic Relations Office Fund	Juvenile Probation Fund
<u>ASSETS AND DEFERRED OUTFLOWS</u>			
Assets			
Cash and cash equivalents	\$ 149,558	\$ 486,684	\$ -
Cash Held for Clients as Representative Payee and Guardianship Program (Note 17)	-	-	-
Accounts receivable	711,704	-	-
Due from other governments	-	322,431	333,368
Prepaid expenses and other assets	-	-	-
Due from other funds	-	-	71,114
	<u> </u>	<u> </u>	<u> </u>
Total Assets and Deferred Outflows	<u>\$ 861,262</u>	<u>\$ 809,115</u>	<u>\$ 404,482</u>
<u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</u>			
Liabilities			
Accounts payable and accrued liabilities	\$ 139,231	\$ 90,649	\$ 231,419
Reserved Cash Held for Clients as Representative Payee and Guardianship Program (Note 17)	-	-	-
Due to other governments	-	-	173,063
Due to other funds	432,983	232,071	-
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>572,214</u>	<u>322,720</u>	<u>404,482</u>
Deferred Inflows			
Unearned revenues	289,048	486,395	-
	<u> </u>	<u> </u>	<u> </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>\$ 861,262</u>	<u>\$ 809,115</u>	<u>\$ 404,482</u>

COUNTY OF CAMBRIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2017

	Booking Center Fund	Farmland Preservation Fund	HMER A Fund
<u>ASSETS AND DEFERRED OUTFLOWS</u>			
Assets			
Cash and cash equivalents	\$ 46	\$ 1,760	\$ 40,589
Cash Held for Clients as Representative Payee and Guardianship Program (Note 17)	-	-	-
Accounts receivable	15,051	14,393	-
Due from other governments	-	-	13,216
Prepaid expenses and other assets	-	-	-
Due from other funds	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows	<u>\$ 15,097</u>	<u>\$ 16,153</u>	<u>\$ 53,805</u>
<u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</u>			
Liabilities			
Accounts payable and accrued liabilities	\$ 12,013	\$ 5,242	\$ 196
Reserved Cash Held for Clients as Representative Payee and Guardianship Program (Note 17)	-	-	-
Due to other governments	-	-	-
Due to other funds	709,075	4,926	1
	<u>709,075</u>	<u>4,926</u>	<u>1</u>
Total Liabilities	<u>721,088</u>	<u>10,168</u>	<u>197</u>
Deferred Inflows			
Unearned revenues	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance			
Unassigned	(705,991)	-	-
Assigned	-	5,985	53,608
Restricted (Note 11)	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balance	<u>(705,991)</u>	<u>5,985</u>	<u>53,608</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 15,097</u>	<u>\$ 16,153</u>	<u>\$ 53,805</u>

COUNTY OF CAMBRIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2017

	SHARP Fund	Emergency Management Agency Fund	Driving Under the Influence Fund
<u>ASSETS AND DEFERRED OUTFLOWS</u>			
Assets			
Cash and cash equivalents	\$ 20,821	\$ -	\$ 740,169
Cash Held for Clients as Representative Payee and Guardianship Program (Note 17)	-	-	-
Accounts receivable	-	-	40,238
Due from other governments	-	10,409	-
Prepaid expenses and other assets	-	-	-
Due from other funds	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows	<u>\$ 20,821</u>	<u>\$ 10,409</u>	<u>\$ 780,407</u>
<u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</u>			
Liabilities			
Accounts payable and accrued liabilities	\$ 714	\$ 7,907	\$ 21,190
Reserved Cash Held for Clients as Representative Payee and Guardianship Program (Note 17)	-	-	-
Due to other governments	-	-	-
Due to other funds	-	2,502	15,958
	<u>-</u>	<u>2,502</u>	<u>15,958</u>
Total Liabilities	<u>714</u>	<u>10,409</u>	<u>37,148</u>
Deferred Inflows			
Unearned revenues	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance			
Unassigned	-	-	-
Assigned	20,107	-	743,259
Restricted (Note 11)	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balance	<u>20,107</u>	<u>-</u>	<u>743,259</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 20,821</u>	<u>\$ 10,409</u>	<u>\$ 780,407</u>

COUNTY OF CAMBRIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2017

	Substance Abuse Fund	Jail/ Detention Fund	Protection From Abuse Fund	Veteran's Court Fund
<u>ASSETS AND DEFERRED OUTFLOWS</u>				
Assets				
Cash and cash equivalents	\$ 199,510	\$ 23,720	\$ 29,067	\$ 25,250
Cash Held for Clients as Representative Payee and Guardianship Program (Note 17)	-	-	-	-
Accounts receivable	16,054	1,045	232	416
Due from other governments	-	-	-	-
Prepaid expenses and other assets	14,400	-	-	-
Due from other funds	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets and Deferred Outflows	<u>\$ 229,964</u>	<u>\$ 24,765</u>	<u>\$ 29,299</u>	<u>\$ 25,666</u>
<u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</u>				
Liabilities				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 150	\$ 1,626
Reserved Cash Held for Clients as Representative Payee and Guardianship Program (Note 17)	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	86,335	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>86,335</u>	<u>-</u>	<u>150</u>	<u>1,626</u>
Deferred Inflows				
Unearned revenues	-	-	-	8,355
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balance				
Unassigned	-	-	-	-
Assigned	143,629	24,765	29,149	15,685
Restricted (Note 1I)	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balance	<u>143,629</u>	<u>24,765</u>	<u>29,149</u>	<u>15,685</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 229,964</u>	<u>\$ 24,765</u>	<u>\$ 29,299</u>	<u>\$ 25,666</u>

COUNTY OF CAMBRIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2017

	Mental Health Court Fund	County Records Improvement Fund	Clerk of Courts Automation Fund	Prothonotary Automation Fund
<u>ASSETS AND DEFERRED OUTFLOWS</u>				
Assets				
Cash and cash equivalents	\$ 5,155	\$ 343,312	\$ 55,522	\$ 19,534
Cash Held for Clients as Representative				
Payee and Guardianship Program (Note 17)	-	-	-	-
Accounts receivable	325	-	-	-
Due from other governments	-	10,896	476	755
Prepaid expenses and other assets	-	-	-	-
Due from other funds	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows	<u>\$ 5,480</u>	<u>\$ 354,208</u>	<u>\$ 55,998</u>	<u>\$ 20,289</u>
<u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</u>				
Liabilities				
Accounts payable and				
accrued liabilities	\$ -	\$ -	\$ 270	\$ 2,275
Reserved Cash Held for Clients as Representative				
Payee and Guardianship Program (Note 17)	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	270	475
	<u>-</u>	<u>-</u>	<u>270</u>	<u>475</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>540</u>	<u>2,750</u>
Deferred Inflows				
Unearned revenues	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance				
Unassigned	-	-	-	-
Assigned	5,480	354,208	55,458	17,539
Restricted (Note 11)	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balance	<u>5,480</u>	<u>354,208</u>	<u>55,458</u>	<u>17,539</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 5,480</u>	<u>\$ 354,208</u>	<u>\$ 55,998</u>	<u>\$ 20,289</u>

COUNTY OF CAMBRIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2017

	Register of Wills Automation Fund	Sheriff's Automation Fund	Coroner Vital Statistics	Liquid Fuels Tax Fund
<u>ASSETS AND DEFERRED OUTFLOWS</u>				
Assets				
Cash and cash equivalents	\$ 24,977	\$ 45,791	\$ 32,296	\$ 1,697,071
Cash Held for Clients as Representative Payee and Guardianship Program (Note 17)	-	-	-	-
Accounts receivable	770	400	-	-
Due from other governments	-	-	-	-
Prepaid expenses and other assets	-	-	-	-
Due from other funds	-	-	-	-
Total Assets and Deferred Outflows	<u>\$ 25,747</u>	<u>\$ 46,191</u>	<u>\$ 32,296</u>	<u>\$ 1,697,071</u>
<u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</u>				
Liabilities				
Accounts payable and accrued liabilities	\$ 540	\$ -	\$ -	\$ -
Reserved Cash Held for Clients as Representative Payee and Guardianship Program (Note 17)	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	540	-	-	-
Total Liabilities	<u>1,080</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows				
Unearned revenues	-	-	32,296	-
Fund Balance				
Unassigned	-	-	-	-
Assigned	24,667	46,191	-	-
Restricted (Note 11)	-	-	-	1,697,071
Total Fund Balance	<u>24,667</u>	<u>46,191</u>	<u>-</u>	<u>1,697,071</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 25,747</u>	<u>\$ 46,191</u>	<u>\$ 32,296</u>	<u>\$ 1,697,071</u>

COUNTY OF CAMBRIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2017

	Hotel Tax Fund	Parks & Playgrounds Fund	Act 13 Fund	Affordable Housing Fund
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>
<u>ASSETS AND DEFERRED OUTFLOWS</u>				
Assets				
Cash and cash equivalents	\$ 23,027	\$ -	\$ 484,206	\$ 110,695
Cash Held for Clients as Representative Payee and Guardianship Program (Note 17)	-	-	-	-
Accounts receivable	137,404	-	-	-
Due from other governments	-	-	-	7,781
Prepaid expenses and other assets	-	-	-	-
Due from other funds	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows	<u>\$ 160,431</u>	<u>\$ -</u>	<u>\$ 484,206</u>	<u>\$ 118,476</u>
<u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</u>				
Liabilities				
Accounts payable and accrued liabilities	\$ 160,431	\$ -	\$ -	\$ -
Reserved Cash Held for Clients as Representative Payee and Guardianship Program (Note 17)	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	30,871	-	-
	<u>-</u>	<u>30,871</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>160,431</u>	<u>30,871</u>	<u>-</u>	<u>-</u>
Deferred Inflows				
Unearned revenues	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance				
Unassigned	-	(30,871)	-	-
Assigned	-	-	-	118,476
Restricted (Note 1I)	-	-	484,206	-
	<u>-</u>	<u>-</u>	<u>484,206</u>	<u>-</u>
Total Fund Balance	<u>-</u>	<u>(30,871)</u>	<u>484,206</u>	<u>118,476</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 160,431</u>	<u>\$ -</u>	<u>\$ 484,206</u>	<u>\$ 118,476</u>

COUNTY OF CAMBRIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2017

	<u>Redevelopment Authority</u>	<u>Act 152 Fund</u>	<u>Area Agency on Aging Fund</u>	<u>Foster Grand- Parents Fund</u>
<u>ASSETS AND DEFERRED OUTFLOWS</u>				
Assets				
Cash and cash equivalents	\$ -	80,845	\$ 507,867	\$ 2,428
Cash Held for Clients as Representative Payee and Guardianship Program (Note 17)	-	-	293,803	-
Accounts receivable	-	8,251	-	-
Due from other governments	-	-	-	20,000
Prepaid expenses and other assets	-	-	-	-
Due from other funds	-	-	655,509	-
	<u>-</u>	<u>-</u>	<u>655,509</u>	<u>-</u>
Total Assets and Deferred Outflows	<u>\$ -</u>	<u>\$ 89,096</u>	<u>\$1,457,179</u>	<u>\$ 22,428</u>
<u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</u>				
Liabilities				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 369,908	\$ 12,245
Reserved Cash Held for Clients as Representative Payee and Guardianship Program (Note 17)	-	-	293,803	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	7,206
	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,206</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>663,711</u>	<u>19,451</u>
Deferred Inflows				
Unearned revenues	-	-	793,468	2,977
	<u>-</u>	<u>-</u>	<u>793,468</u>	<u>2,977</u>
Fund Balance				
Unassigned	-	-	-	-
Assigned	-	-	-	-
Restricted (Note 1I)	-	89,096	-	-
	<u>-</u>	<u>89,096</u>	<u>-</u>	<u>-</u>
Total Fund Balance	<u>-</u>	<u>89,096</u>	<u>-</u>	<u>-</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ -</u>	<u>\$ 89,096</u>	<u>\$1,457,179</u>	<u>\$ 22,428</u>

COUNTY OF CAMBRIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2017

	Drug and Alcohol Fund	Human Services Fund	Total
<u>ASSETS AND DEFERRED OUTFLOWS</u>			
Assets			
Cash and cash equivalents	\$ 331,250	\$ 31,866	\$ 5,513,016
Cash Held for Clients as Representative Payee and Guardianship Program (Note 17)	-	-	293,803
Accounts receivable	256,474	26,022	1,228,779
Due from other governments	-	-	719,332
Prepaid expenses and other assets	-	-	14,400
Due from other funds	<u>153,802</u>	<u>8,959</u>	<u>889,384</u>
Total Assets and Deferred Outflows	<u>\$ 741,526</u>	<u>\$ 66,847</u>	<u>\$ 8,658,714</u>
<u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</u>			
Liabilities			
Accounts payable and accrued liabilities	\$ 550,621	\$ 65,062	\$ 1,671,689
Reserved Cash Held for Clients as Representative Payee and Guardianship Program (Note 17)	-	-	293,803
Due to other governments	-	-	173,063
Due to other funds	<u>-</u>	<u>-</u>	<u>1,523,213</u>
Total Liabilities	<u>550,621</u>	<u>65,062</u>	<u>3,661,768</u>
Deferred Inflows			
Unearned revenues	<u>190,905</u>	<u>1,785</u>	<u>1,805,229</u>
Fund Balance			
Unassigned	-	-	(736,862)
Assigned	-	-	1,658,206
Restricted (Note 1I)	<u>-</u>	<u>-</u>	<u>2,270,373</u>
Total Fund Balance	<u>-</u>	<u>-</u>	<u>3,191,717</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 741,526</u>	<u>\$ 66,847</u>	<u>\$ 8,658,714</u>

COUNTY OF CAMBRIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	911 Emergency Communication Fund	Domestic Relations Office Fund	Juvenile Probation Fund
Revenues			
Intergovernmental revenues	\$ 3,425,282	\$ 1,348,998	\$ 1,518,451
Charges for services	-	14,349	-
Interest and investment income	2,985	128	-
Other income	5,196	-	140,238
Total Revenues	<u>3,433,463</u>	<u>1,363,475</u>	<u>1,658,689</u>
Expenditures			
General government - administrative	-	-	-
Human services	-	-	-
General government - judicial	-	2,367,862	-
Public safety	-	-	-
Corrections	-	-	3,404,611
Public works	-	-	-
Culture and recreation	-	-	-
Emergency communication services	3,433,463	-	-
Debt service	-	-	-
Conservation and development	-	-	-
Total Expenditures	<u>3,433,463</u>	<u>2,367,862</u>	<u>3,404,611</u>
(Deficiency)/Excess of Revenue Over/(Under) Expenditures	<u>-</u>	<u>(1,004,387)</u>	<u>(1,745,922)</u>
Other Financing Sources/(Uses)			
Operating transfers in	-	1,004,387	1,745,922
Operating transfers (out)	-	-	-
Total Other Financing Sources/ (Uses)	<u>-</u>	<u>1,004,387</u>	<u>1,745,922</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, 2017

	Booking Center Fund	Farmland Preservation Fund	HMER A Fund
Revenues			
Intergovernmental revenues	\$ -	\$ -	\$ 17,895
Charges for services	-	-	20,775
Interest and investment income	61	6	410
Other income	222,092	23,093	-
	<u>222,153</u>	<u>23,099</u>	<u>39,080</u>
Expenditures			
General government - administrative	-	-	-
Human services	-	-	-
General government - judicial	-	-	-
Public safety	-	-	33,528
Corrections	316,795	-	-
Public works	-	-	-
Culture and recreation	-	-	-
Emergency communication services	-	-	-
Debt service	-	-	-
Conservation and development	-	33,564	-
	<u>316,795</u>	<u>33,564</u>	<u>33,528</u>
(Deficiency)/Excess of Revenue			
(Under) Expenditures	<u>(94,642)</u>	<u>(10,465)</u>	<u>5,552</u>
Other Financing Sources/(Uses)			
Operating transfers in	-	7,000	-
Operating transfers (out)	-	-	-
	<u>-</u>	<u>7,000</u>	<u>-</u>
(Deficiency) of Revenues and Other			
Financing Sources Over/(Under)			
Expenditures and Other Financing Uses	<u>(94,642)</u>	<u>(3,465)</u>	<u>5,552</u>
Fund Balance - Beginning of Year	<u>(611,349)</u>	<u>9,450</u>	<u>48,056</u>
Fund Balance - End of Year	<u><u>\$ (705,991)</u></u>	<u><u>\$ 5,985</u></u>	<u><u>\$ 53,608</u></u>

COUNTY OF CAMBRIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	SHARP Fund	Emergency Management Agency Fund	Driving Under the Influence Fund
Revenues			
Intergovernmental revenues	\$ -	\$ 44,663	\$ -
Charges for services	-	-	-
Interest and investment income	106	-	3,469
Other income	1,254	-	635,969
Total Revenues	<u>1,360</u>	<u>44,663</u>	<u>639,438</u>
Expenditures			
General government - administrative	-	-	-
Human services	-	-	-
General government - judicial	-	-	164,938
Public safety	1,836	218,154	-
Corrections	-	-	-
Public works	-	-	-
Culture and recreation	-	-	-
Emergency communication services	-	-	-
Debt service	-	-	-
Conservation and development	-	-	-
Total Expenditures	<u>1,836</u>	<u>218,154</u>	<u>164,938</u>
(Deficiency)/Excess of Revenue Over/(Under) Expenditures	<u>(476)</u>	<u>(173,491)</u>	<u>474,500</u>
Other Financing Sources/(Uses)			
Operating transfers in	-	173,491	-
Operating transfers (out)	-	-	(400,000)
Total Other Financing Sources/ (Uses)	<u>-</u>	<u>173,491</u>	<u>(400,000)</u>
Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	<u>(476)</u>	<u>-</u>	<u>74,500</u>
Fund Balance - Beginning of Year	<u>20,583</u>	<u>-</u>	<u>668,759</u>
Fund Balance - End of Year	<u>\$ 20,107</u>	<u>\$ -</u>	<u>\$ 743,259</u>

COUNTY OF CAMBRIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Substance Abuse Fund	Jail/ Detention Fund	Protection From Abuse Fund	Veteran's Court Fund
Revenues				
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Interest and investment income	1,494	133	86	130
Other income	221,649	18,824	5,927	12,201
Total Revenues	223,143	18,957	6,013	12,331
Expenditures				
General government - administrative	-	-	-	-
Human services	-	-	-	-
General government - judicial	251,118	27,901	4,800	8,869
Public safety	-	-	-	-
Corrections	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Emergency communication services	-	-	-	-
Debt service	-	-	-	-
Conservation and development	-	-	-	-
Total Expenditures	251,118	27,901	4,800	8,869
(Deficiency)/Excess of Revenue Over/(Under) Expenditures	(27,975)	(8,944)	1,213	3,462
Other Financing Sources/(Uses)				
Operating transfers in	-	-	-	-
Operating transfers (out)	(100,000)	-	-	-
Total Other Financing Sources/ (Uses)	(100,000)	-	-	-
Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(127,975)	(8,944)	1,213	3,462
Fund Balance - Beginning of Year	271,604	33,709	27,936	12,223
Fund Balance - End of Year	\$ 143,629	\$ 24,765	\$ 29,149	\$ 15,685

COUNTY OF CAMBRIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Mental Health Court Fund	County Records Improvement Fund	Clerk of Courts Automation Fund	Prothonotary Automation Fund
Revenues				
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -
Charges for services	-	72,085	-	-
Interest and investment income	12	2,039	494	96
Other income	3,467	-	7,932	11,250
Total Revenues	3,479	74,124	8,426	11,346
Expenditures				
General government - administrative	-	17,786	-	-
Human services	-	-	-	-
General government - judicial	-	-	9,686	11,676
Public safety	-	-	-	-
Corrections	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Emergency communication services	-	-	-	-
Debt service	-	-	-	-
Conservation and development	-	-	-	-
Total Expenditures	-	17,786	9,686	11,676
Excess of Revenue Over/(Under) Expenditures	3,479	56,338	(1,260)	(330)
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	3,479	56,338	(1,260)	(330)
Fund Balance - Beginning of Year	2,001	297,870	56,718	17,869
Fund Balance - End of Year	\$ 5,480	\$ 354,208	\$ 55,458	\$ 17,539

COUNTY OF CAMBRIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Register of Wills Automation Fund	Sheriff's Automation Fund	Coroner Vital Statistics	Liquid Fuels Tax Fund
Revenues				
Intergovernmental revenues	\$ -	\$ -	\$ 2,995	\$ 2,147,676
Charges for services	-	-	-	-
Interest and investment income	213	206	135	12,403
Other income	13,280	17,000	-	-
Total Revenues	13,493	17,206	3,130	2,160,079
Expenditures				
General government - administrative	-	-	-	-
Human services	-	-	-	-
General government - judicial	8,723	-	3,130	-
Public safety	-	10,920	-	-
Corrections	-	-	-	-
Public works	-	-	-	1,748,365
Culture and recreation	-	-	-	-
Emergency communication services	-	-	-	-
Debt service	-	-	-	-
Conservation and development	-	-	-	-
Total Expenditures	8,723	10,920	3,130	1,748,365
Excess of Revenue Over/(Under) Expenditures	4,770	6,286	-	411,714
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	4,770	6,286	-	411,714
Fund Balance - Beginning of Year	19,897	39,905	-	1,285,357
Fund Balance - End of Year	\$ 24,667	\$ 46,191	\$ -	\$ 1,697,071

COUNTY OF CAMBRIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Hotel Tax Fund	Parks & Playgrounds Fund	Act 13 Fund	Affordable Housing Fund
Revenues				
Intergovernmental revenues	\$ -	\$ -	\$ 161,588	\$ -
Charges for services	-	-	-	-
Interest and investment income	282	-	4,566	358
Other income	677,235	-	-	104,061
Total Revenues	677,517	-	166,154	104,419
Expenditures				
General government - administrative	-	-	-	-
Human services	-	-	-	-
General government - judicial	-	-	-	-
Public safety	-	-	-	-
Corrections	-	-	-	-
Public works	-	-	486,828	-
Culture and recreation	-	590,534	-	-
Emergency communication services	-	-	-	-
Debt service	-	-	-	-
Conservation and development	643,641	-	-	84,000
Total Expenditures	643,641	590,534	486,828	84,000
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	33,876	(590,534)	(320,674)	20,419
Other Financing Sources/(Uses)				
Operating transfers in	-	602,779	-	-
Operating transfers (out)	(33,876)	-	-	-
Total Other Financing Sources/ (Uses)	(33,876)	602,779	-	-
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	-	12,245	(320,674)	20,419
Fund Balance - Beginning of Year	-	(43,116)	804,880	98,057
Fund Balance - End of Year	\$ -	\$ (30,871)	\$ 484,206	\$ 118,476

COUNTY OF CAMBRIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Redevelopment Authority	Act 152 Fund	Area Agency on Aging Fund	Foster Grand- Parents Fund
Revenues				
Intergovernmental revenues	\$ 387,160	\$ 89,048	\$ 5,753,708	\$ 399,581
Charges for services	-	-	174,058	-
Interest and investment income	-	48	15,385	136
Other income	-	-	48,084	103,856
Total Revenues	<u>387,160</u>	<u>89,096</u>	<u>5,991,235</u>	<u>503,573</u>
Expenditures				
General government - administrative	-	-	-	-
Human services	-	-	5,991,235	503,573
General government - judicial	-	-	-	-
Public safety	-	-	-	-
Corrections	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Emergency communication services	-	-	-	-
Debt service	-	-	-	-
Conservation and development	387,160	-	-	-
Total Expenditures	<u>387,160</u>	<u>-</u>	<u>5,991,235</u>	<u>503,573</u>
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	<u>-</u>	<u>89,096</u>	<u>-</u>	<u>-</u>
Other Financing Sources/(Uses)				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Total Other Financing Sources/ (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	<u>-</u>	<u>89,096</u>	<u>-</u>	<u>-</u>
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ 89,096</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, 2017

	Drug and Alcohol Fund	Human Services Fund	Total
Revenues			
Intergovernmental revenues	\$ 1,485,302	\$ 461,030	\$ 17,243,377
Charges for services	-	-	281,267
Interest and investment income	4,381	1,526	51,288
Other income	-	1,457	2,274,065
Total Revenues	<u>1,489,683</u>	<u>464,013</u>	<u>19,849,997</u>
Expenditures			
General government - administrative	-	-	17,786
Human services	1,665,717	464,013	8,624,538
General government - judicial	-	-	2,858,703
Public safety	-	-	264,438
Corrections	-	-	3,721,406
Public works	-	-	2,235,193
Culture and recreation	-	-	590,534
Emergency communication services	-	-	3,433,463
Debt service	-	-	-
Conservation and development	-	-	1,148,365
Capital projects	-	-	-
Total Expenditures	<u>1,665,717</u>	<u>464,013</u>	<u>22,894,426</u>
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	<u>(176,034)</u>	<u>-</u>	<u>(3,044,429)</u>
Other Financing Sources/(Uses)			
Operating transfers in	176,034	-	3,709,613
Operating transfers (out)	-	-	(533,876)
Total Other Financing Sources/ (Uses)	<u>176,034</u>	<u>-</u>	<u>3,175,737</u>
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	<u>-</u>	<u>-</u>	<u>131,308</u>
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>3,060,409</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,191,717</u>

COMPONENT UNIT COMBINING
AND
INDIVIDUAL FUND
FINANCIAL STATEMENTS

COUNTY OF CAMBRIA
COMBINING STATEMENT OF NET POSITION - COMPONENT UNITS
DECEMBER 31, 2017

	Planning Commission	Redevelopment Authority	Library Association	Municipal Airport Authority	Transit Authority
ASSETS					
Current assets					
Cash and cash equivalents	\$ 119,862	\$ 223,842	\$ 198,792	\$ 1,029,139	\$ 6,572,586
Investments	-	-	1,262,476	300,000	-
Accounts receivable	85,163	-	13,194	20,632	49,723
Due from other governments	-	122,895	-	88,235	313,562
Inventory	-	-	-	-	479,419
Other assets	-	-	-	-	-
Total current assets	205,025	346,737	1,474,462	1,438,006	7,415,290
Non-current assets					
Fixed assets (net of accumulated depreciation)	3,837	1,481,982	667,078	13,431,665	32,444,622
Other assets	-	613,178	-	-	-
Total non-current assets	3,837	2,095,160	667,078	13,431,665	32,444,622
DEFERRED OUTFLOWS					
Deferred pension outflows	-	-	-	-	481,250
Prepaid expenses	679	-	13,817	-	163,714
Total deferred outflows	679	-	13,817	-	644,964
Total Assets and Deferred Outflows	\$ 209,541	\$ 2,441,897	\$ 2,155,357	\$ 14,869,671	\$ 40,504,876
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	\$ 2,170	\$ 146,277	\$ 70,459	\$ 42,697	\$ 594,942
Due to other governments	-	100,000	-	-	-
Bonds and notes payable	-	-	-	79,748	-
Obligation under capital lease	-	-	-	-	-
Total current liabilities	2,170	246,277	70,459	122,445	594,942
Non-current liabilities					
Other liabilities	-	-	-	-	1,222,290
Bonds and notes payable	-	-	-	335,409	-
Obligation under capital lease	-	-	-	-	-
Total non-current liabilities	-	-	-	335,409	1,222,290
DEFERRED INFLOWS					
Deferred pension inflows	-	-	-	-	172,626
Unearned revenue	-	373,178	125,192	946,066	6,464,128
Total deferred inflows	-	373,178	125,192	946,066	6,636,754
NET POSITION					
Investment in fixed assets, net of related debt	3,837	1,481,982	667,078	13,016,508	32,444,622
Restricted (Note 1m)	-	-	618,836	-	-
Unrestricted	203,534	340,460	673,792	449,243	(393,732)
Total Net Position	207,371	1,822,442	1,959,706	13,465,751	32,050,890
Total Liabilities, Deferred Inflows and Net Position	\$ 209,541	\$ 2,441,897	\$ 2,155,357	\$ 14,869,671	\$ 40,504,876

COUNTY OF CAMBRIA
COMBINING STATEMENT OF NET POSITION - COMPONENT UNITS
DECEMBER 31, 2017

	Solid Waste Management Authority	Conservation and Recreation Authority	Penn Highlands Community College	Behavioral Health of Cambria County	War Memorial Arena Authority	Totals
ASSETS						
Current assets						
Cash and cash equivalents	\$ 115,624	\$ 189,567	\$ 4,788,686	\$ 4,989,618	\$ 449,697	\$ 18,677,413
Investments	-	-	-	-	-	1,562,476
Accounts receivable	84,920	-	176,868	13,729	14,896	459,125
Due from other governments	-	382,517	89,786	6,785,819	-	7,782,814
Inventory	-	-	-	-	9,509	488,928
Other assets	-	-	-	-	-	-
Total current assets	200,544	572,084	5,055,340	11,789,166	474,102	28,970,756
Non-current assets						
Fixed assets (net of accumulated depreciation)	137,399	8,484,213	9,239,194	8,049	1,116,764	67,014,803
Other assets	-	-	-	-	-	613,178
Total non-current assets	137,399	8,484,213	9,239,194	8,049	1,116,764	67,627,981
DEFERRED OUTFLOWS						
Deferred pension outflows	-	-	107,189	-	-	588,439
Prepaid expenses	8,020	-	199,671	19,291	661	405,853
Total deferred outflows	8,020	-	306,860	19,291	661	994,292
Total Assets and Deferred Outflows	\$ 345,963	\$ 9,056,297	\$ 14,601,394	\$ 11,816,506	\$ 1,591,527	\$ 97,593,029
LIABILITIES						
Current liabilities						
Accounts payable and accrued liabilities	\$ 12,697	\$ 402,383	\$ 1,224,190	\$ 31,297	\$ 299,055	\$ 2,826,167
Due to other governments	-	-	-	6,284,268	-	6,384,268
Bonds and notes payable	35,189	-	337,796	-	79,296	532,029
Obligation under capital lease	-	-	88,792	-	-	88,792
Total current liabilities	47,886	402,383	1,650,778	6,315,565	378,351	9,831,256
Non-current liabilities						
Other liabilities	-	-	442,797	-	-	1,665,087
Bonds and notes payable	131,294	-	47,885	-	523,640	1,038,228
Obligation under capital lease	-	-	134,999	-	-	134,999
Total non-current liabilities	131,294	-	625,681	-	523,640	2,838,314
DEFERRED INFLOWS						
Deferred pension inflows	-	-	107,834	-	-	280,460
Unearned revenue	-	19,896	256,609	1,799,439	36,063	10,020,571
Total deferred inflows	-	19,896	364,443	1,799,439	36,063	10,301,031
NET POSITION						
Investment in fixed assets, net of related debt	100,182	8,484,213	8,629,722	-	513,828	65,341,972
Restricted (Note 1m)	-	-	1,288,648	2,322,202	233	4,229,919
Unrestricted	66,601	149,805	2,042,122	1,379,300	139,412	5,050,537
Total Net Position	166,783	8,634,018	11,960,492	3,701,502	653,473	74,622,428
Total Liabilities, Deferred Inflows and Net Position	\$ 345,963	\$ 9,056,297	\$ 14,601,394	\$ 11,816,506	\$ 1,591,527	\$ 97,593,029

COUNTY OF CAMBRIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN NET POSITION - GOVERNMENTAL TYPE COMPONENT UNITS
 FOR THE YEAR ENDED DECEMBER 31, 2017

	Redevelopment Authority	Library Association	Conservation and Recreation Authority	Total
Revenues:				
Intergovernmental revenues	\$ 608,340	\$ 866,195	\$ 1,202,530	\$ 2,677,065
County appropriations	60,000	615,000	155,000	830,000
Charges for services	34,257	49,110	-	83,367
Interest and investment income	-	33,210	1,142	34,352
Realized gain/(loss) on investments	-	(5,880)	-	(5,880)
Unrealized gain/(loss) on investments	-	53,925	-	53,925
Other	42,354	85,361	32,978	160,693
Total Revenues	<u>744,951</u>	<u>1,696,921</u>	<u>1,391,650</u>	<u>3,833,522</u>
Expenditures:				
Conservation and development	824,754	-	272,174	1,096,928
Culture and recreation	-	1,723,516	-	1,723,516
Total Expenditures	<u>824,754</u>	<u>1,723,516</u>	<u>272,174</u>	<u>2,820,444</u>
Change in Net Position	(79,803)	(26,595)	1,119,476	1,013,078
Net Position - Beginning of Year	<u>1,902,245</u>	<u>1,986,301</u>	<u>7,514,542</u>	<u>11,403,088</u>
Net Position - End of Year	<u>\$ 1,822,442</u>	<u>\$ 1,959,706</u>	<u>\$ 8,634,018</u>	<u>\$ 12,416,166</u>

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, 2017

	Planning Commission	Municipal Airport Authority	Transit Authority	Solid Waste Management Authority
Operating Revenues:				
Charges for services	\$ 311,456	\$ 367,609	\$ 890,957	\$ 943
Intergovernmental revenues	-	-	1,075,377	57,289
Other	8,548	449,477	272,440	23,240
Total Operating Revenues	320,004	817,086	2,238,774	81,472
Operating Expenses:				
Public works	359,424	627,425	10,581,211	430,539
Human Services	-	-	-	-
Education and general	-	-	-	-
Conservation and development	-	-	-	-
Depreciation	1,271	1,098,689	2,651,080	8,636
Total Operating Expenses	360,695	1,726,114	13,232,291	439,175
Operating Income/(Loss)	(40,691)	(909,028)	(10,993,517)	(357,703)
Non-Operating Revenues/(Expenses):				
Investment income	108	1,108	19	145
Gain/(loss) on sale of assets	-	-	(30,083)	-
Federal appropriations	-	-	500,000	-
State appropriations	-	-	6,991,408	-
Financial Aid Revenue	-	-	-	-
Financial Aid (Expenses)	-	-	-	-
County appropriations	64,200	174,000	769,002	340,700
Other non-operating revenue/(expense)	-	13,710	-	-
Interest expense	-	(10,341)	-	(5,343)
Total Non-Operating Revenues/ (Expenses)	64,308	178,477	8,230,346	335,502
Change in Net Position Before Capital Contributions	23,617	(730,551)	(2,763,171)	(22,201)
Gain on Extinguishment of Debt	-	-	-	-
Capital Contributions	-	999,711	2,834,426	-
Total Change in Net Position	23,617	269,160	71,255	(22,201)
Net Position Beginning of Year	183,754	13,196,591	31,979,635	179,362
Prior Period Adjustment	-	-	-	9,622
Net Position Beginning of Year, as restated	183,754	13,196,591	31,979,635	188,984
Net Position - End of Year	\$ 207,371	\$ 13,465,751	\$ 32,050,890	\$ 166,783

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, 2017

	Penn Highlands Community College	Behavioral Health of Cambria County	War Memorial Arena Authority	Total
Operating Revenues:				
Charges for services	\$ 7,801,724	\$ -	\$ 2,474,012	\$ 11,846,701
Intergovernmental revenues	362,812	42,618,210	-	44,113,688
Other	85,822	-	-	839,527
Total Operating Revenues	8,250,358	42,618,210	2,474,012	56,799,916
Operating Expenses:				
Public works	-	-	-	11,998,599
Human Services	-	43,371,517	-	43,371,517
Education and general	12,120,314	-	2,501,348	14,621,662
Conservation and development	-	-	-	-
Depreciation	931,031	-	71,021	4,761,728
Total Operating Expenses	13,051,345	43,371,517	2,572,369	74,753,506
Operating Income/(Loss)	(4,800,987)	(753,307)	(98,357)	(17,953,590)
Non-Operating Revenues/(Expenses):				
Investment income	-	29,478	2,450	33,308
Gain/(loss) on sale of assets	-	-	-	(30,083)
Federal appropriations	-	-	-	500,000
State appropriations	3,556,071	-	-	10,547,479
Financial Aid Revenue	6,770,012	-	-	6,770,012
Financial Aid (Expenses)	(6,770,012)	-	-	(6,770,012)
County appropriations	1,363,521	-	88,340	2,799,763
Other non-operating revenue/(expense)	84,148	-	-	97,858
Interest expense	(19,100)	-	(17,283)	(52,067)
Total Non-Operating Revenues/ (Expenses)	4,984,640	29,478	73,507	13,896,258
Change in Net Position Before Capital Contributions	183,653	(723,829)	(24,850)	(4,057,332)
Gain on Extinguishment of Debt	-	-	(218,630)	(218,630)
Capital Contributions	-	-	-	3,834,137
Total Change in Net Position	183,653	(723,829)	(243,480)	(441,825)
Net Position Beginning of Year	11,776,839	3,498,806	896,953	61,711,940
Prior Period Adjustment	-	926,525	-	936,147
Net Position Beginning of Year, as restated	11,776,839	4,425,331	896,953	62,648,087
Net Position - End of Year	\$ 11,960,492	\$ 3,701,502	\$ 653,473	\$ 62,206,262