

2015
CAMBRIA COUNTY
December 31



FINANCIAL STATEMENT



March 2016

Once again, as in the past years, we present the overview of the Cambria County Retirement Fund and its activities.



The number of Retirees has increased to an all-time high of 1,053. With the increase in Retirees and the unstable market conditions our investments are going through, our Fund balance has dropped slightly to \$178,821,454. Our Fund continues as one of the best funded County plans in the State, and we as a Board are diligent in maintaining high quality investments and managers to deliver the results that we need for our Fund.

The enclosed detailed summary of the Fund's activity on the next few pages will give you an insight into the Fund and the management of it. While it has been a challenging year in performance it is important to note that Cambria County continues to fund its obligation fully at the amount required by our Actuary, which for 2015 was \$2,273,003. Also, you will see that the Retiree Healthcare costs for those who are receiving it was funded at \$4,484,967. These amounts are funded from the County's General and Agency Funds.

Your Board of Trustees continues to work diligently to maintain low costs and high returns of the Fund. As Fiduciaries of the Fund we strive every day to give the Retiree, the employees still participating in the Fund, and the County Taxpayers the best possible service and value.

Thank You and Best Wishes,

***Cambria County
Retirement Board***

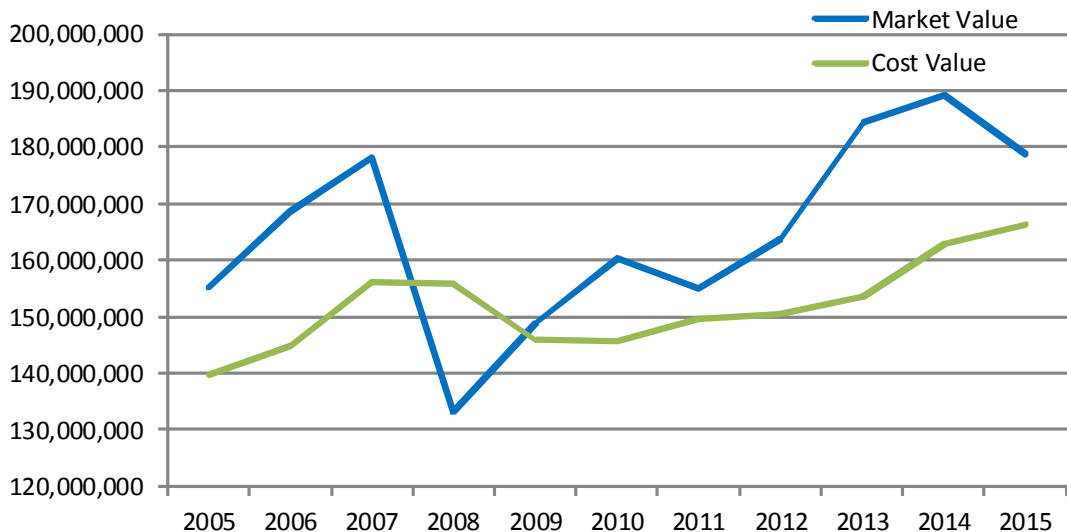


CAMBRIA COUNTY

Statement of Plan Assets As Of December 31, 2015

<u>Assets</u>	<u>Cost Value</u>	<u>Market Value</u>
Cash and Short Term Investments	\$ 4,649,690.62	\$ 4,649,690.62
Receivables	342,485.79	342,485.79
Investments:		
U.S. Government Obligations	24,743,358.81	24,532,418.16
Domestic Corporate Bonds	18,028,481.11	17,787,215.07
Fixed Income Mutual Funds	6,413,827.81	6,421,249.88
High Yield Limited Partnership	8,120,932.55	9,710,634.75
Domestic Equities	40,309,547.36	43,453,886.66
International Equities	21,568,247.68	20,133,553.96
Domestic Mutual Funds	29,301,690.25	40,171,142.32
Master Limited Partnerships	9,617,764.07	7,217,939.71
Real Estate	3,280,119.18	4,401,237.52
Total Assets December 31, 2015	\$ <u>166,376,145.23</u>	\$ <u>178,821,454.44</u>

Asset Valuation - Market vs. Cost Basis



Dear Cambria County Retirees,

As we start 2016 we look back at 2015 with mixed feelings. Last year was full of uncertainty with the market moving to a more settled position and with our fund pulling back from previous highs in the \$190,000,000 range. At year-end our fund had a balance of \$178,821,454. With that being said, we are still one of the top County Funds across Pennsylvania. We, as your Retirement Board, continue to be diligent as we review manager performances and make necessary adjustments to benefit the Fund.

At the end of 2015, the 1,053 retirees receiving monthly pension payments totaled \$13,084,781. Throughout 2015, our office processed 53 new individuals to retiree status. Administrative Fees were \$84,376 which closely mirrors last year; however, our investment expense increased by \$40,264 to \$612,781. We now employ 11 Investment Managers in an effort to continue to diversify our exposure to market fluctuations. In the following pages you will see the complete overview of our Fund. If you have any questions, please contact me at the Controller's Office at (814) 472-1620.

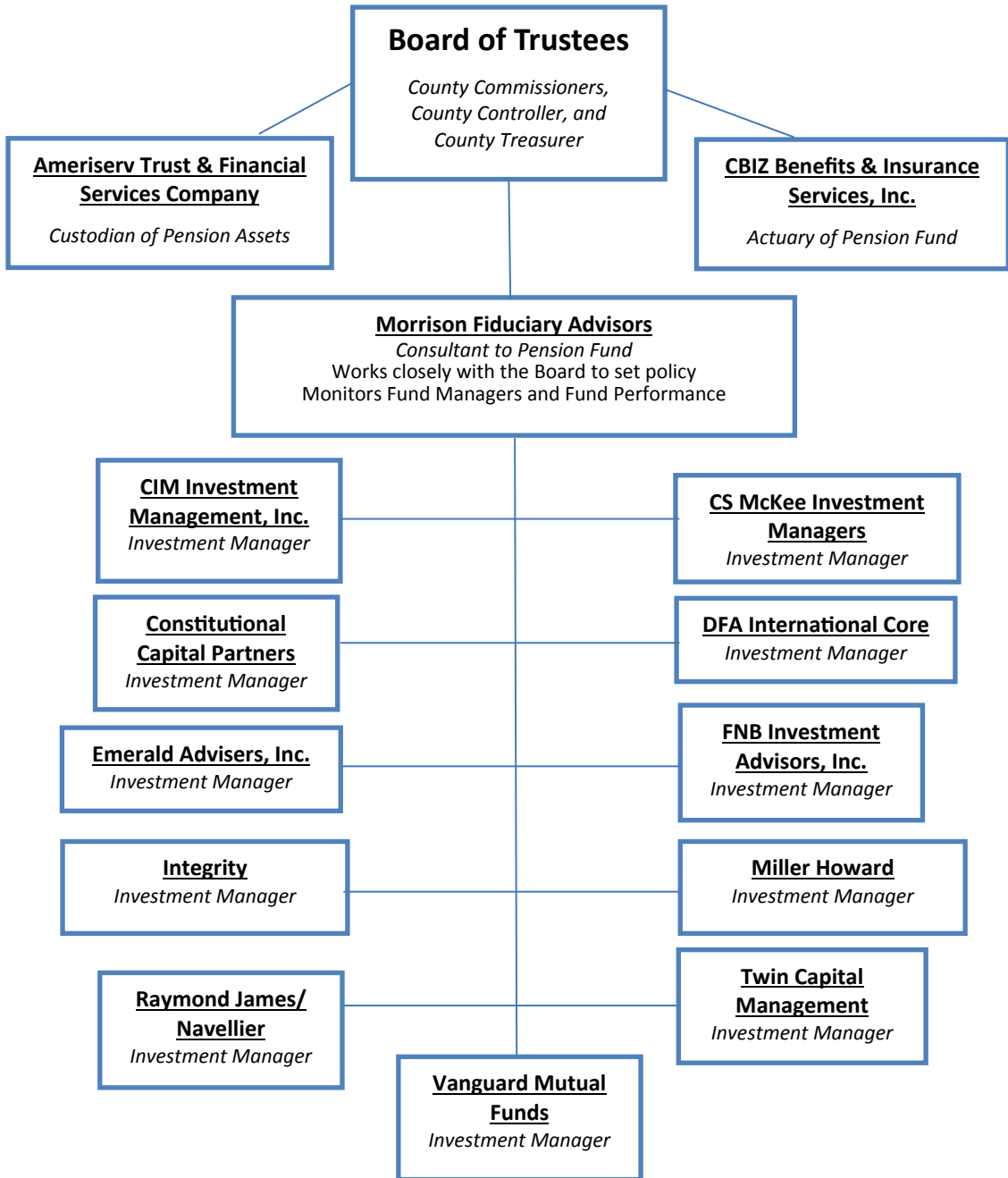
Our Board of Trustees welcomes the new County Commissioner, William "BJ" Smith, as a Trustee. The Board, our Consultant, Actuary, and Custodian remain committed to holding down costs while increasing value to the Fund so that we can continue to provide a reliable, consistent, and ongoing source of post-employment financial security to you. I would be remiss if I failed to once again recognize and thank Kristine Segear and Dana Descavish for their dedication to processing and overseeing the Fund. As I start my fourth term as your County Controller, I thank you for your support of me and my entire staff as we do the work of the Controller's Office and the Retirement Fund for Cambria County.

Yours Truly,

Ed Cernic Jr.
Retirement Fund Secretary



Structure of the Plan Management

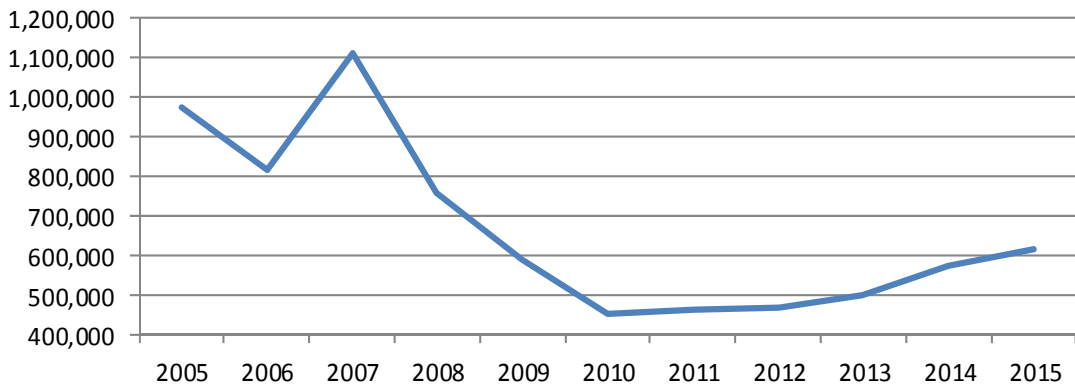


CAMBRIA COUNTY RETIREMENT FUND

COMPARISON OF MARKET VALUE BY FUND TO MANAGEMENT FEES

	12/31/15 MARKET VALUE	ANNUAL FEES	APPROX. FEES ON MUTUAL FDS	TOTAL MGMT FEES
AMERISERV CHECKING	1,071,498.00			0.00
CIM	7,660,047.87	26,527.68		26,527.68
CS MCKEE	22,603,017.48	59,891.92		59,891.92
DFA INTERNATIONAL CORE (new 11/15)	10,828,212.13		3,428.93	3,428.93
EMERALD ADVISERS	10,858,545.44	56,747.11		56,747.11
FNB INVESTMENT ADVISORS	28,921,195.26	36,330.24	10,916.12	47,246.36
GMO INTERNATIONAL EQUITY	sold 11/25/15	32,093.60		32,093.60
INTEGRITY ASSET MGMT	10,088,729.21	108,032.00		108,032.00
IRONSIDES (new 6/15)	9,710,634.75		212,876.71	212,876.71
MILLER HOWARD LP	7,533,610.02	27,925.11		27,925.11
RAYMOND JAMES/NAVELLIER	6,953,546.87	68,528.31		68,528.31
TWIN CAPITAL	8,698,146.77	20,226.52		20,226.52
VANGUARD - GROWTH	16,097,463.75		12,877.97	12,877.97
VANGUARD INTERNATIONAL	9,305,341.83		31,638.16	31,638.16
VANGUARD - VALUE	24,090,227.54		19,272.18	19,272.18
VANGUARD REAL ESTATE	4,401,237.52		3,520.99	3,520.99
AMERISERV TRUST (CUSTODIAN)		79,343.89		79,343.89
CBIZ (ACTUARY)		23,040.00		23,040.00
MORRISON FIDUCIARY ADVISORS		74,094.64		74,094.64
	178,821,454.44	612,781.02	294,531.07	907,312.09

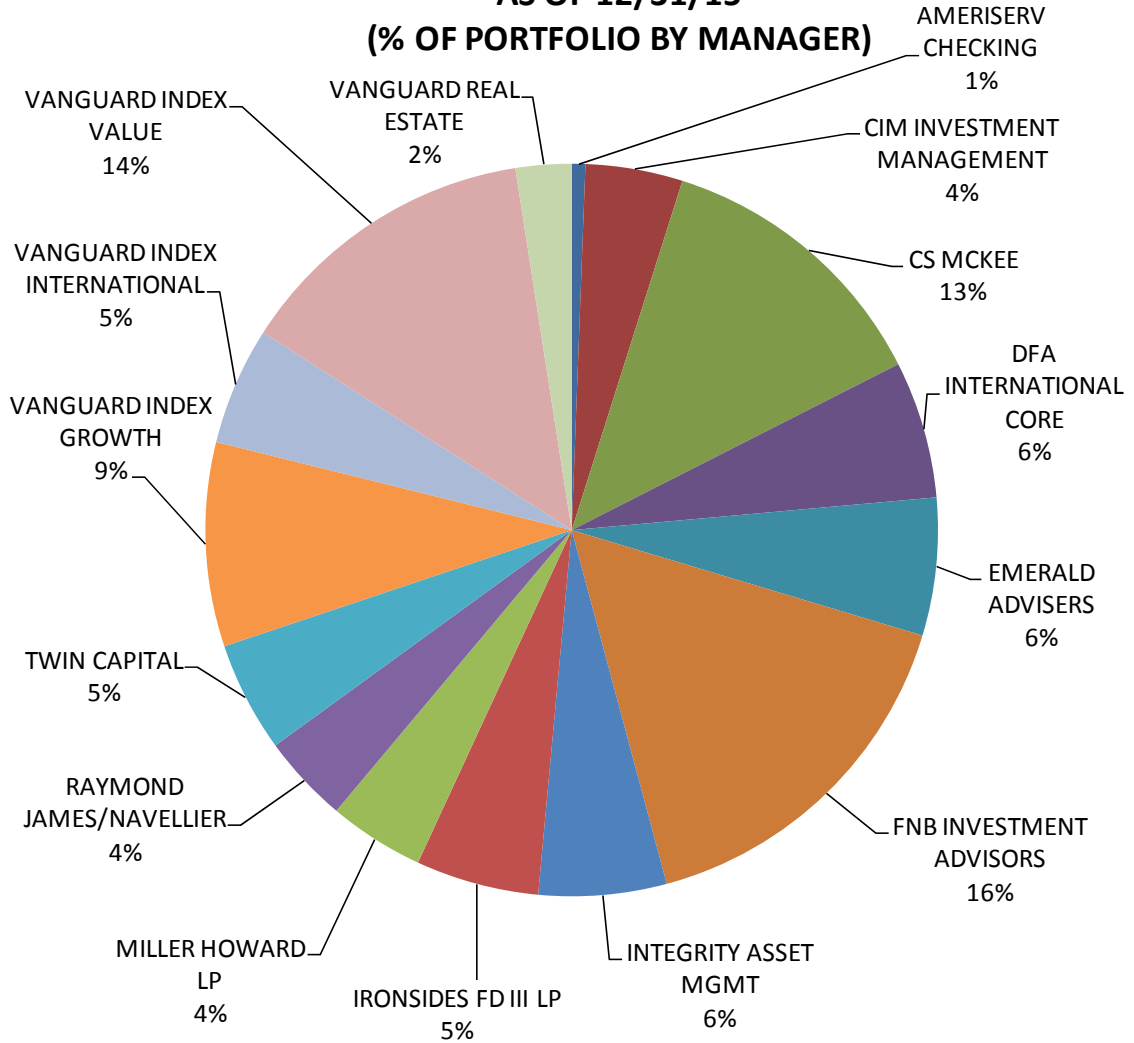
Investment Management Fees Paid by Year *



* Chart does not include approximate Mutual Fund Fees

**CAMBRIA COUNTY RETIREMENT PLAN PORTFOLIO
AS OF 12/31/15**

(% OF PORTFOLIO BY MANAGER)



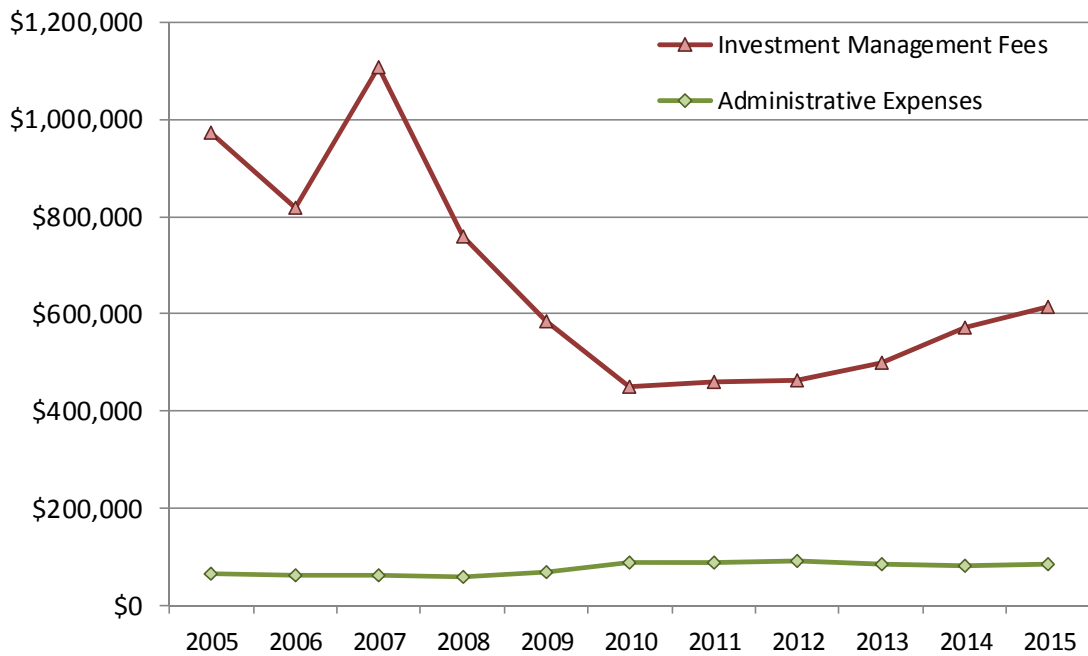
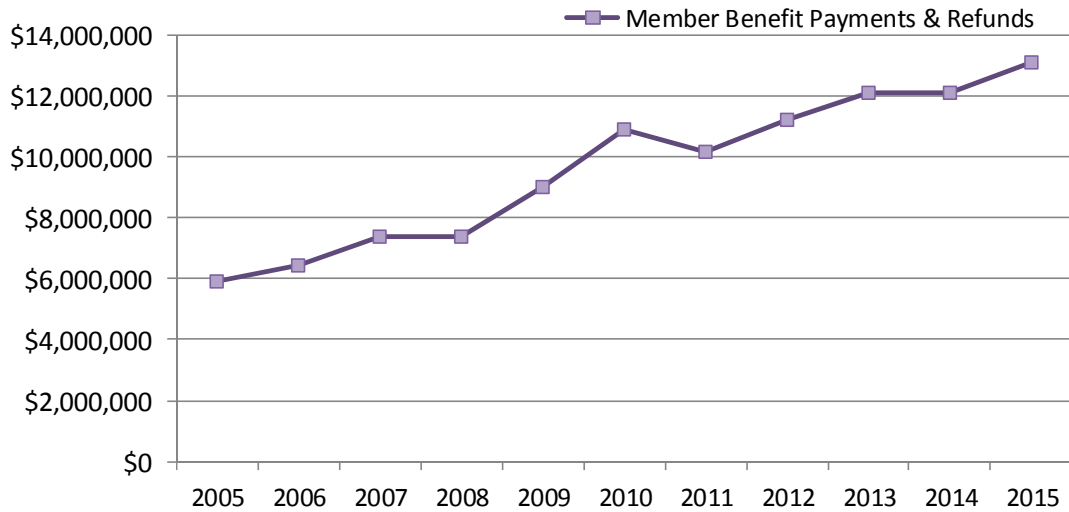
AMERISERV CHECKING	CIM INVESTMENT MANAGEMENT
CS MCKEE	DFA INTERNATIONAL CORE
EMERALD ADVISERS	FNB INVESTMENT ADVISORS
INTEGRITY ASSET MGMT	IRONSIDES FD III LP
MILLER HOWARD LP	RAYMOND JAMES/NAVELLIER
TWIN CAPITAL	VANGUARD INDEX GROWTH
VANGUARD INDEX INTERNATIONAL	VANGUARD INDEX VALUE
VANGUARD REAL ESTATE	

CAMBRIA COUNTY
Employees' Retirement Fund 2015 Financial Report

Statement of Changes in Plan Net Assets For The Year Ended December 31, 2015

Total Assets (cost value) January 1, 2015	\$ <u>162,843,057.70</u>
Additions/Income	
Member Contributions (including member share of military or leave of absence buyback)	2,710,906.62
Member purchase of County share of military or leave of absence	36,681.56
County Contributions	2,273,002.96
Investment Income:	
Interest	666,944.85
Dividends	2,598,110.25
Realized Capital Gains	8,675,711.44
Net Accrued Interest/other	342,485.79
Miscellaneous	0.00
Total Additions	+\$ <u>17,303,843.47</u>
<u>Deductions / Expenses</u>	
Member Contributions Refunded	451,232.21
Retirement allowances paid (includes C-O-L and accumulated deductions withdrawn under Option 4)	12,539,278.03
Death Benefits	94,271.14
Administrative Expenses	84,376.67
Investment expenses	612,781.02
Miscellaneous	0.00
Change in Accounts Payable	<u>(11,183.13)</u>
Total Deductions	-\$ <u>13,770,755.94</u>
<u>Net Increase</u>	\$ <u>3,533,087.53</u>
Total Assets (cost value) December 31, 2015	\$ <u>166,376,145.23</u>
Unrealized appreciation/depreciation	<u>12,445,309.21</u>
Total Assets (market value) December 31, 2015	\$ <u>178,821,454.44</u>

Comparison of Annual Expenses



ACTIVE PLAN MEMBERS vs. ACTIVE RETIREES & VESTED MEMBERS

This graph represents the Active Plan members vs. the Active Retirees. Over the past five years, the number of retirees receiving benefits from the retirement plan has grown and is larger than the number of active plan members contributing to the retirement plan.

As of December 31, 2015, there were 1,874 plan members - 1,053 Retirees and Beneficiaries receiving benefits, 150 Terminated Plan Members entitled to but not yet receiving benefits and 671 Active Plan Members.

This graph also represents the number of terminated plan members who are entitled to receive benefits in the future. These terminated plan members represent employees who were terminated and are entitled to an involuntary pension and members who were entitled to vest upon leaving County employment. A complete report of the Employee Retirement Trust Plan is available on the County's website (www.cambriacountypa.gov) under the Retirement Board area or by contacting the Controller's Office.



2015

CAMBRIA COUNTY RETIREES

Mary Catherine Adams	Leonard Ferenchik	Dennis McGlynn
Judy Arnold	Mary Beth Fishburn-Fine	Janice McKnight
Linda Babyak	Nancy Fox	Helen Melnik
Hugh Balsinger	Marylyn Franklin	Brian Miller
Susan Becker	Rick Frombach	Candance Mowery
Dale Beers	Julie Hangey	Kathryn Ott
Mary Elaine Behe	Jeanne Hess	Elaine Patula
Tracie Binaut	Lynette Hinton	Elizabeth Petruska
Sandra Boland	Edward Hudak	Brian Pundzak
Joseph Cashaw	John Kirsch	Patricia Shedlock
Robert Casti	Wayne Kirsch	Tracy Stafford
Deborah Christoff	Pamela Kokus	Cynthia Stahl
Ann Christy	Evon Kubat	Joseph Staruch
Jean Ann Contorchick	Sally Kuzmyak	Cindy Taylor
Cindy S. Cook	Margaret Leginze	Charles Tretinik
Albert Daisley	Beverly Lindsey	Peggy Weber
Patrick DeRubis	Brenda Luther	Twila Wess
	Danielle McCully	Brenda Yeckley



CAMBRIA COUNTY RETIREMENT BOARD MEMBERS



Thomas C. Chernisky, Chairman
President Commissioner



William "B.J." Smith, Vice-Chairman
County Commissioner



Mark J. Wissinger, Trustee
County Commissioner



Lisa M. Kozorosky, Trustee
County Treasurer



Ed Cernic Jr., Secretary
County Controller

Report prepared by the staff of the Cambria County Controller's Office and printed in-house. Please forward any suggestions or comments to Ed Cernic, Jr., Cambria County Controller, 200 South Center St, Ebensburg, PA 15931, by phone at (814) 472-1620, or by e-mail to d-descavish@co.cambria.pa.us