

**CAMBRIA COUNTY
PENSION FUND
FINANCIAL STATEMENT
DECEMBER 31, 2011**

CAMBRIA COUNTY RETIREMENT BOARD MEMBERS

Douglas R. Lengenfelder, Chairman President Commissioner	Thomas C. Chernisky, Trustee County Commissioner
Mark J. Wissinger, Vice-Chairman County Commissioner	Lisa M. Kozorosky, Trustee County Treasurer
Ed Cernic Jr., Secretary County Controller	

February 2012

Once again the Cambria County Retirement Board is pleased to present our annual report of the County Retirement Fund activities for the year ending December 31, 2011.

2011 was another year in which we witnessed a turbulent market at times with sell offs and rebounds happening rapidly. While we didn't see a measurable increase in the economy, we did see some stabilization in certain areas. However, one of them that we didn't see any stabilization in was oil pricing. Unfortunately, unemployment hasn't improved and we have seen the Federal Government take actions to help those who continue to be unemployed.

The report we have prepared for you represents the expenses and revenues of the Retirement Fund for the year 2011. We continue to make changes in the management and the oversight of the fund to benefit the retirees. We have hired Morrison Fiduciary Advisors as our Consultant to the Board and the Fund to ensure that we are operating in the most efficient and positive manner.

Cambria County government continues to contribute to the fund through the annual required contribution. The fund's liabilities continue to increase due to: retirees living longer; more participants in the fund; and less working or active employees contributing through payroll deductions. Therefore, we will see the County's contribution continue to rise. In 2011 Cambria County, through its general fund, contributed \$2,146,500. The County also paid \$1,732,249 in retiree health care payments through its General Fund to those that qualified.

If you have any questions concerning the Retirement Fund in general, or your particular account, please contact the Controller's Office at 814-472-1620 and we will be happy to assist you.

Best Wishes,

Cambria County Retirement Board



CAMBRIA COUNTY

Statement of Plan Assets As Of December 31, 2011

<u>Assets</u>	Cost Value	Market Value
Cash and Short Term Investments	\$ 5,557,729.89	\$ 5,557,729.89
Receivables	671,109.18	671,109.18
Investments:		
U.S. Government Obligations	26,267,549.06	26,955,073.21
Domestic Corporate Bonds	15,567,255.73	16,189,981.63
Fixed Income Mutual Funds	9,212,092.67	9,822,360.91
Domestic Equities	34,020,018.30	36,315,437.83
International Equities	20,407,224.02	21,412,634.11
Domestic Mutual Funds	31,231,834.01	31,239,523.95
Real Estate	6,593,774.21	6,655,978.90
Total Assets December 31, 2011	\$ <u>149,528,587.07</u>	\$ <u>154,819,829.61</u>

In 2011 we saw many changes within our fund. We began with approximately \$160,000,000 balance. Throughout the year we saw the balance range from a high of \$169,599,911 in April to a low of \$146,664,996 in September. Throughout the year we continued to process former County employees that worked for Laurel Crest as they became eligible for Retirement. Still at the end of 2011 we have 82 individuals who are eligible at some point for retirement pension.

In 2011, the Controller's Office processed 63 new individuals for retirement. At the end of 2011 we had 915 individuals receiving a pension from The Fund, or an annual total of \$9,619,412.28. This did not include death benefits of \$116,994.34, or member contributions that were refunded totaling \$440,555.64. All totaled the Fund distributed \$10,176,962.26.

Even with all of these factors our fund ended up at \$153,901,498 as of December 31, 2011. One factor that stands out at this point is we have less than 900 full time active employees, and 915 active retirees, a reversal for the first time in our recent history.

In conclusion, we continue to monitor the Fund to insure the Pensions of retirees and future retirees are secure and that our Fund continues to remain a reliable source of retirement income for hundreds of County workers and retirees.

CAMBRIA COUNTY
Employees' Retirement Fund 2011 Financial Report

Statement of Changes in Plan Net Assets For The Year Ended December 31, 2011

Total Assets (cost value) January 1, 2011	\$ <u>145,527,865.66</u>
Additions/Income	
Member Contributions (incl. member share of military/leave ab.)	2,540,666.31
Member purchase of County share of military/leave of absence	18,958.66
County Contributions	2,146,500.00
Investment Income:	
Interest	1,386,976.10
Dividends	1,789,124.20
Realized Capital Gains	6,218,198.40
Net Accrued Interest/other	649,485.02
Miscellaneous	<u>0.00</u>
Total Additions	+\$ <u>14,749,908.69</u>
<u>Deductions / Expenses</u>	
Member Contributions Refunded	440,555.64
Retirement allowances paid (includes C-O-L and accumulated deductions withdrawn under Opt. 4)	9,619,412.28
Death Benefits	116,994.34
Administrative Expenses	87,181.17
Investment expenses	458,855.28
Miscellaneous	0.00
Change in Accounts Payable	<u>26,188.57</u>
Total Deductions	-\$ <u>10,749,187.28</u>
<u>Net Increase</u>	\$ <u>4,000,721.41</u>
Total Assets (cost value) December 31, 2011	\$ <u>149,528,587.07</u>
Unrealized appreciation/depreciation	<u>5,291,242.54</u>
Total Assets (market value) December 31, 2011	\$ <u>154,819,829.61</u>

CAMBRIA COUNTY RETIREMENT FUND
COMPARISON OF MARKET VALUE BY FUND TO MANAGEMENT FEES

	12/31/11 MARKET VALUE	ANNUAL FEES	APPROX. FEES ON MUTUAL FDS	TOTAL MANAGEMENT FEES
BIONDO	Sold 12/2011	24,237.02		24,237.02
CAPITAL WORLD	Sold 12/2011		50,047.00	50,047.00
CIM	4,513,500.50	22,538.79		22,538.79
CS MCKEE	50,069,751.07	158,497.72		158,497.72
FNB INVESTMNT ADVISOR	23,852,361.78	18,040.49		18,040.49
GMO GLOBAL EQUITY	9,392,016.14		54,473.69	54,473.69
HIGHLAND FINANCIAL	3,262,103.96	8,627.26	26,096.83	34,724.09
RAYMOND JAMES	5,385,258.62	39,955.56	13,463.15	53,418.71
THORNBURG GLOBAL	8,979,695.12		58,368.02	58,368.02
VALLEY FORGE	10,772,324.45	28,040.14		28,040.14
VANGUARD- GROWTH	15,994,571.08		12,795.66	12,795.66
VANGUARD- VALUE	15,244,952.87		12,196.00	12,196.00
VANGUARD RE	6,655,978.90		5,324.78	5,324.78
	154,122,514.49 *	299,936.98	232,765.13	532,702.11

AMERISERV TRUST (CUSTODIAN)	61,211.80
CBIZ (ACTUARY)	23,040.00
MORRISON FIDUCIARY ADVISORS	14,666.50
PEIRCE PARK (INVESTMENT ADVISOR)	60,000.00
	691,620.41

* This market value amount does not include Cash and Short Term Investments of \$697,315.12.

CAMBRIA COUNTY RETIREMENT PLAN PORTFOLIO AS OF 12/31/11

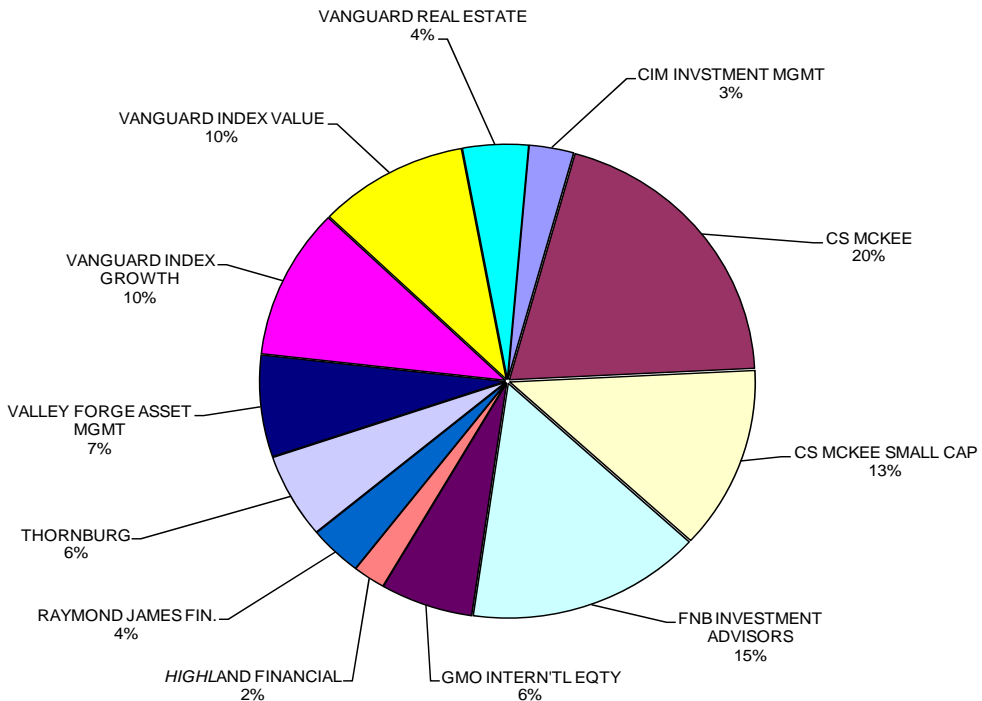
COST	CASH		GOVERNMENT &		CORPORATE		MUTUAL		EQUITIES	TOTAL
	EQUIVALENTS	AGENCIES	AGENCIES			FUNDS	FUNDS			
CIM	34,779.00								4,216,960.78	4,251,739.78
CS MCKEE	541,120.80	16,618,010.31		11,823,027.38						28,982,158.49
CS MCKEE SMALL CAP	529,153.72								18,214,328.14	18,743,481.86
FINB INVESTMENT ADVI-SORS	24,447.86	9,649,538.75		3,744,228.35			9,212,092.67			22,630,307.63
GMO INTERNATIONAL EQUITY							8,747,891.52			8,747,891.52
HIGHLAND FINANCIAL	165.06						3,281,830.41			3,281,995.47
RAYMOND JAMES	1,543,501.68							3,012,216.25		4,555,717.93
THORNBURG GLOBAL EQUITY							8,377,502.09			8,377,502.09
VALLEY FORGE ASSET MANAGMT	1,611,866.06							8,576,513.13		10,188,379.19
VANGUARD INDEX-GROWTH							15,976,976.39			15,976,976.39
VANGUARD INDEX - VALUE							15,254,857.62			15,254,857.62
VANGUARD REAL ESTATE							6,593,774.21			6,593,774.21
	4,285,034.18	26,267,549.06	15,567,255.73	15,567,255.73	67,444,924.91	34,020,018.30	147,584,782.18			

MARKET	CASH EQUIVALENTS		GOVERNMENT & AGENCIES		CORPORATE		MUTUAL FUNDS		EQUITIES		TOTAL
CIM	34,779.00								4,472,110.68		4,506,889.68
CS MCKEE	541,120.80	16,912,758.21			12,390,787.88						29,844,666.89
CS MCKEE SMALL CAP	529,153.72								18,862,706.40		19,391,860.12
FNB INVESTMENT ADVISORS	24,447.86	10,042,315.00			3,799,193.75		9,822,360.91				23,688,317.52
GMO INTERNATIONAL EQUITY							9,171,000.10				9,171,000.10
HIGHLAND FINANCIAL	165.06						3,261,938.89				3,262,103.95
RAYMOND JAMES	1,543,501.68								3,839,076.75		5,382,578.43
THORNBURG GLOBAL EQUITY							8,979,695.12				8,979,695.12
VALLEY FORGE ASSET MGMT	1,611,866.06								9,141,544.00		10,753,410.06
VANGUARD INDEX-GROWTH							15,994,571.08				15,994,571.08
VANGUARD INDEX - VALUE							15,244,952.87				15,244,952.87
VANGUARD REAL ESTATE							6,655,978.90				6,655,978.90
	4,285,034.18	26,955,073.21			16,189,981.63		69,130,497.87		36,315,437.83		152,876,024.72

ACCRUALS	INTEREST	DIVIDENDS	CASH	TOTAL MKT VAL
	396,662.21	252,822.81	597,004.75	* 154,122,514.49

* This market value amount does not include Cash and Short Term Investments of \$697,315.12.

CAMBRIA COUNTY RETIREMENT PLAN PORTFOLIO AS OF 12/31/11 (% OF PORTFOLIO BY MANAGER)



■ CIM INVESTMENT MGMT	■ CS MCKEE	□ CS MCKEE SMALL CAP
□ FNB INVESTMENT ADVISORS	■ GMO INTERN'TL EQTY	■ HIGHLAND FINANCIAL
■ RAYMOND JAMES FIN.	□ THORNBURG	■ VALLEY FORGE ASSET MGMT
■ VANGUARD INDEX GROWTH	■ VANGUARD INDEX VALUE	■ VANGUARD REAL ESTATE

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 S Center St, Ebensburg, PA 15931, by phone at (814) 472-1620, or by e-mail to ddecavish@co.cambria.pa.us