

FINANCIAL STATEMENT
CAMBRIA COUNTY
PENSION FUND
For Year Ending December 31, 2009

MILAN GJURICH, Chairman
COUNTY COMMISSIONER

WILLIAM G. HARRIS
VICE CHAIRMAN
COUNTY COMMISSIONER

P.J. STEVENS,
PRESIDENT
BOARD OF COMMISSIONERS



ED CERNIC, JR., Secretary
CONTROLLER

BARBARA J. KLINE
TREASURER

ANTOINETTE SHERRY
ASSISTANT SECRETARY

MILAN GJURICH
CHAIRMAN

SAM VALENTY
VICE CHAIRMAN

P.J. STEVENS
PRESIDENT
Board of Commissioners

County of Cambria



ED CERNIC, JR.
SECRETARY
County Controller

BARBARA J. KLINE
Treasurer

ANTOINETTE SHERRY
Assistant Secretary

Cambria County Retirement Board

200 South Center Street
Ebensburg, PA 15931
(814) 472-1620

April 2010

Once again the Cambria County Retirement Board is pleased to present its annual report of the County Pension Fund activities for the year ending December 31, 2009.

As with the previous year, 2009 was a year in which we saw our fund hit a low made in February and rebound as the remainder of the year progressed. Our economy throughout the year dealt with increased unemployment and raising oil pricing, however the consumers had some confidence late in the year, which helped retail sales. The U.S. auto industry saw General Motors and Chrysler struggle however Ford Motor Co. seemed to make a huge turnaround with consumers.

The enclosed summary of your Retirement Fund revenues and expenses are detailed in the following pages. During 2009, added some new managers and have replaced others as we strive to ensure that we have managers that are giving us the best in performance at the least cost to the fund. Our fund started the year at \$132,974,388 and ended the year at \$148,350,306. Also, with the sale and divesture of Laurel Crest the Retirement Fund had an increase in the number of retirees added to our monthly payroll, and we also had a large increase in the amount of payouts that some of those former employees received. As you will see in the report, despite all of the ups and downs, the increased amount of retirees, the uncertain economy our Retirement Fund has remained solvent for all of those receiving benefits

In 2009, the County made a contribution to the retirement fund in the amount of \$1,695,028 to show its commitment to the Fund, and to assure the solvency of it. If you have any questions concerning any part of the Fund, please direct any inquiry to the Controllers Office at 814-472-1620; we will be more than happy to assist you in any manner.

Very Truly Yours,

Cambria County Retirement Board

Milan Gjurich, Commissioner/Chairman
Salvatore "Sam" Valenty, Vice Chairman

PJ Stevens, Commissioner/Trustee
Barbara Kline, Trustee

Ed Cernic, Jr., Controller/Trustee

CAMBRIA COUNTY
Employees' Retirement Fund 2009 Financial Report

Statement of Changes in Plan Net Assets For The Year Ended December 31, 2009

Total Assets (cost value) January 1, 2009	\$ <u>155,923,171.80</u>
Member Contributions (incl. mbr. share of milit./l.a.)	<u>3,524,134.58</u>
Member purchase of County share of milit./l.a.	<u>31,692.15</u>
County Contributions	<u>1,695,028.00</u>
Investment Income:	
Interest	<u>1,482,590.19</u>
Dividends	<u>1,848,181.36</u>
Realized Capital Gains	<u>(9,330,353.06)</u>
Net Accrued Interest/other	<u>429,784.67</u>
Miscellaneous	<u>0.00</u>
Total Additions	+ \$ <u>(318,942.11)</u>
 <u>Deductions / Expenses</u>	
Member Contributions Refunded	<u>1,664,775.46</u>
Retirement allowances paid (includes C-O-L and accum. deduct. w/d under Opt. 4)	<u>6,521,732.46</u>
Death Benefits	<u>827,745.68</u>
Administrative Expenses	<u>66,834.52</u>
Investment expenses	<u>585,217.37</u> **
Miscellaneous	<u> </u>
Change in Accounts Payable	<u>19,356.63</u>
Total Deductions	-\$ <u>9,685,662.12</u>
<u>Net Increase</u>	<u>\$ (10,004,604.23)</u>
Total Assets (cost value) December 31, 2009	\$ <u><u>145,918,567.57</u></u>
Unrealized appreciation/depreciation	<u>3,119,249.81</u>
Total Assets (market value) December 31, 2009	\$ <u><u>149,037,817.38</u></u>

** See Attached Schedule - Investment Expense Detail for a Breakdown of Investment Expense

CAMBRIA COUNTY RETIREMENT PLAN PORTFOLIO AS OF 12/31/09

COST	CASH EQUIV LN TS	GOV'T & AGENCIES	CORPORATE	MUNICIPAL OBLIGATIONS	MUTUAL FUNDS	EQUITIES	TOTAL
CHASE INVEST.	520,419.78					10,423,835.81	10,944,255.59
CS MCKEE	128,427.13	18,334,382.83	10,342,623.57	-			28,805,433.53
CS MCKEE SMALL CAP	640,713.37					15,617,256.83	16,257,970.20
CAPITAL WORLD					13,504,197.96		13,504,197.96
FIRST NATIONAL TRUST CO	475,939.17	9,912,201.00	5,069,994.50		4,255,023.30		19,713,157.97
GMO GLOBAL EQUITY					13,949,551.47		13,949,551.47
MONEY MARKET (AMERISERV)	125,177.67						125,177.67
MUTUAL FUNDS CASH	188.23						188.23
THORNBURG GLOBAL EQUITY					14,992,173.32		14,992,173.32
VALLEY FORGE ASSET MGMT	510,049.80					4,996,814.82	5,506,864.62
VALLEY FORGE CAPITAL ADVISORS	106,481.52					4,219,110.93	4,325,592.45
VANGUARD INDEX TRUST					16,766,096.57		16,766,096.57
	2,507,396.67	28,246,583.83	15,412,618.07	-	63,467,042.62	35,257,018.39	144,890,659.58

MARKET

CHASE INVEST	520,419.78					12,379,565.51	12,899,985.29
CS MCKEE	128,427.13	18,520,757.41	10,811,335.01				29,460,519.55
CS MCKEE SMALL CAP	640,713.37					15,992,168.50	16,632,881.87
CAPITAL WORLD					14,211,322.75		14,211,322.75
FIRST NATIONAL TRUST CO	475,939.17	10,231,816.75	5,215,348.00		4,636,985.55		20,560,089.47
GMO GLOBAL EQUITY					14,287,324.42		14,287,324.42
MONEY MARKET (AMERISERV)	125,177.67						125,177.67
MUTUAL FUNDS CASH	188.23						188.23
THORNBURG GLOBAL EQUITY					14,676,504.25		14,676,504.25
VALLEY FORGE ASSET MGMT	510,049.80					5,179,314.87	5,689,364.67
VALLEY FORGE CAPITAL ADVISORS	106,481.52					4,793,344.20	4,899,825.72
VANGUARD INDEX TRUST					14,566,725.50		14,566,725.50
	2,507,396.67	28,752,574.16	16,026,683.01	-	62,378,862.47	38,344,393.08	148,009,909.39

ACCRUALS

	INTEREST	DIVIDENDS	CASH	TOTAL MKT VAL
CHASE INVEST		2,548.47		12,902,533.76
CS MCKEE	228,803.81		(102,215.59)	29,587,107.77
CS MCKEE SMALL CAP		6,099.02		16,638,980.89
CAPITAL WORLD				14,211,322.75
FIRST NATIONAL TRUST CO	178,310.35			20,738,399.82
GMO GLOBAL EQUITY				14,287,324.42
MONEY MARKET (AMERISERV)	51.19		8,977.42	134,206.28
MUTUAL FUNDS CASH	0.03			188.26
THORNBURG GLOBAL EQUITY				14,676,504.25
VALLEY FORGE ASSET MGMT		8,216.40		5,697,581.07
VALLEY FORGE CAPITAL ADVISORS		5,755.40	3,850.80	4,909,431.92
VANGUARD INDEX TRUST				14,566,725.50
	407,165.38	22,619.29	(89,387.37)	148,350,306.69

CAMBRIA COUNTY RETIREMENT FUND

COMPARISON OF MARKET VALUE BY FUND TO MANAGEMENT FEES

	YEAR END MARKET VALUE	ANNUAL FEES	INCENTIVE FEES	CASH MGMT FEES (AMERISERV)	TOTAL MGMT FEES	Fees as % of Mkt Val	NOTES
CHASE INVEST (EQUITIES)	12,902,533.76	95,673.00		1,853.60	97,526.60	0.7559%	
CS MCKEE	46,226,088.66	151,032.03		3,015.43	154,047.46	0.3332%	
BRANDES NON-US EQUITY PORTFOLIO	-	86,217.00			86,217.00	#DIV/0!	Sold 10/09
CAPITAL WORLD	14,211,322.75						New Mgr 10/09
EVERGREEN INTERNL GROWTH FD						#DIV/0!	Sold 9/09
FIRST NATIONAL TRUST COMPANY	20,738,399.82	44,733.43		5,296.74	50,030.17	0.2412%	
GMO GLOBAL EQUITY	14,287,324.42				14,630.00	0.1024%	New Mgr 9/09
MONEY MARKET	134,206.28			1,183.13	1,183.13	0.8816%	
MUTUAL FUNDS TRUST ACCT	188.26				0.00		
THORNBURG GLOBAL EQUITY	14,676,504.25				0.00		
VALLEY FORGE ASSET MANAGEMENT	5,697,581.07	23,724.76		1,718.90	25,443.66	0.4466%	
VALLEY FORGE CAPITAL ADVISORS	4,909,431.92	20,009.99		293.26	20,303.25	0.4136%	
VANGUARD INDEX TRUST	14,566,725.50				0.00		
148,350,306.69	421,390.21	0.00	13,361.06	449,381.27			

AMERISERV TRUST (CUSTODIAL FEES)	60,426.10		
CBIZ	23,040.00		
PEIRCE PARK	67,000.00		
	571,856.31	0.00	13,361.06

G/L ACCT #510.5100.0000.51404 585,217.37

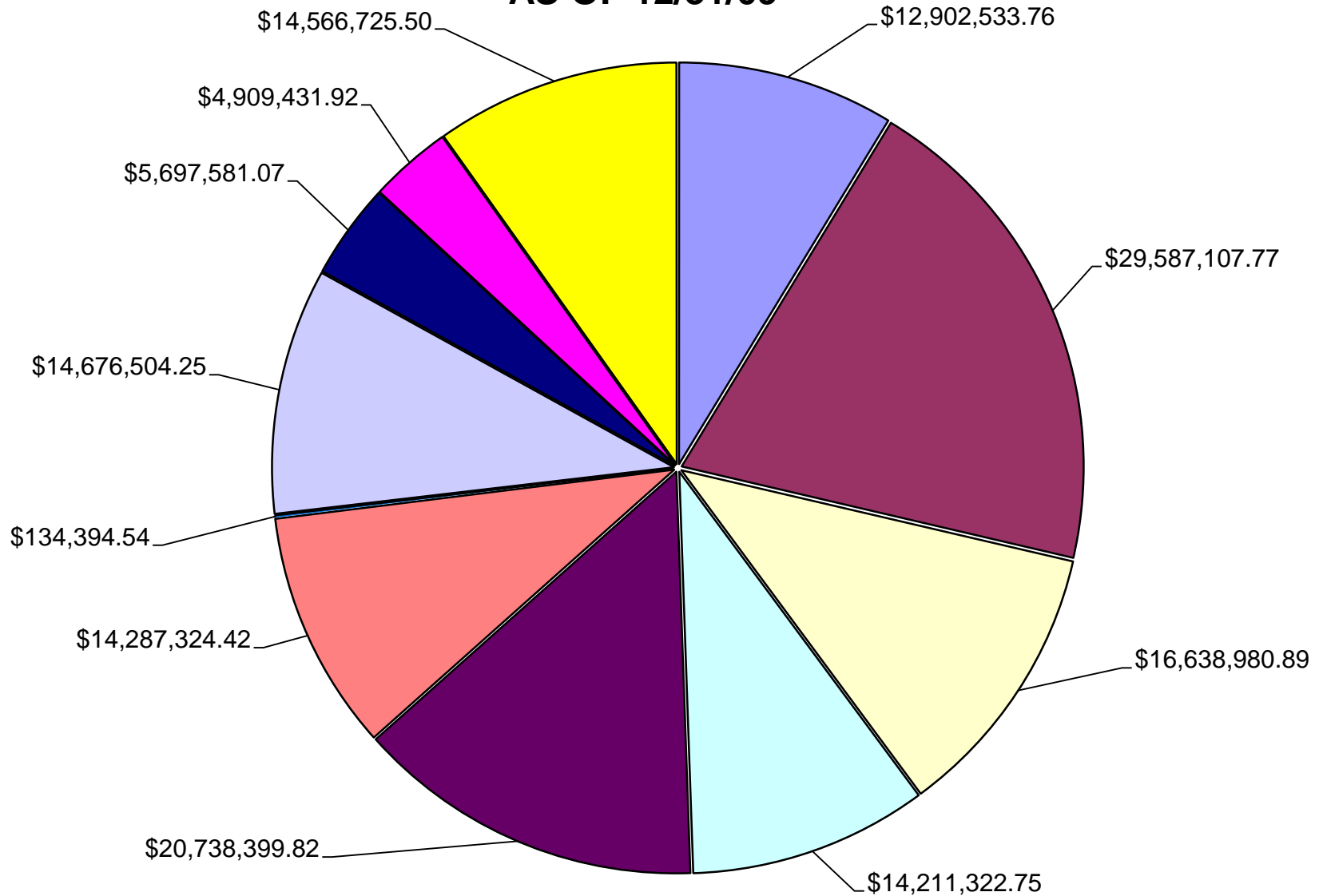
DIFFERENCE (0.00)

After 2008 and the severe downturn in our assets, 2009 proved to be a year in which we saw more of a downturn early in the year, and then by April the market started to give us gains in our assets. The smooth upturn continued throughout the year and our fund increased by \$44 million dollars by year-end to \$148,350,306. This was substantial when you consider the number of retirees increased from 722 to 770 in 2009, and the amount of monthly pension checks we distribute is \$621,638 per month as of this writing. In addition to that, the monthly hospitalization cost is \$257,811 per month, or over \$3 million per year, which is funded directly from the County general fund. In order maintain a stable position in the Fund through the year of paying benefits; the County general fund makes an annual contribution. For 2009, the amount of funding was \$1,695,028.

As we have done in the past, we continue to monitor and adjust, when necessary, manager changes and the amounts of funds that we permit them to invest for us. We have made changes and will continue as we review performance results and trends of them individually. The Fund currently has ten managers and they are all positioned to comply with the investment policy that we have in place. With all of the talk about the issues that the State pension fund has, and other Municipal Retirement Funds, Cambria County has a pension fund that is well funded and on solid financial ground.

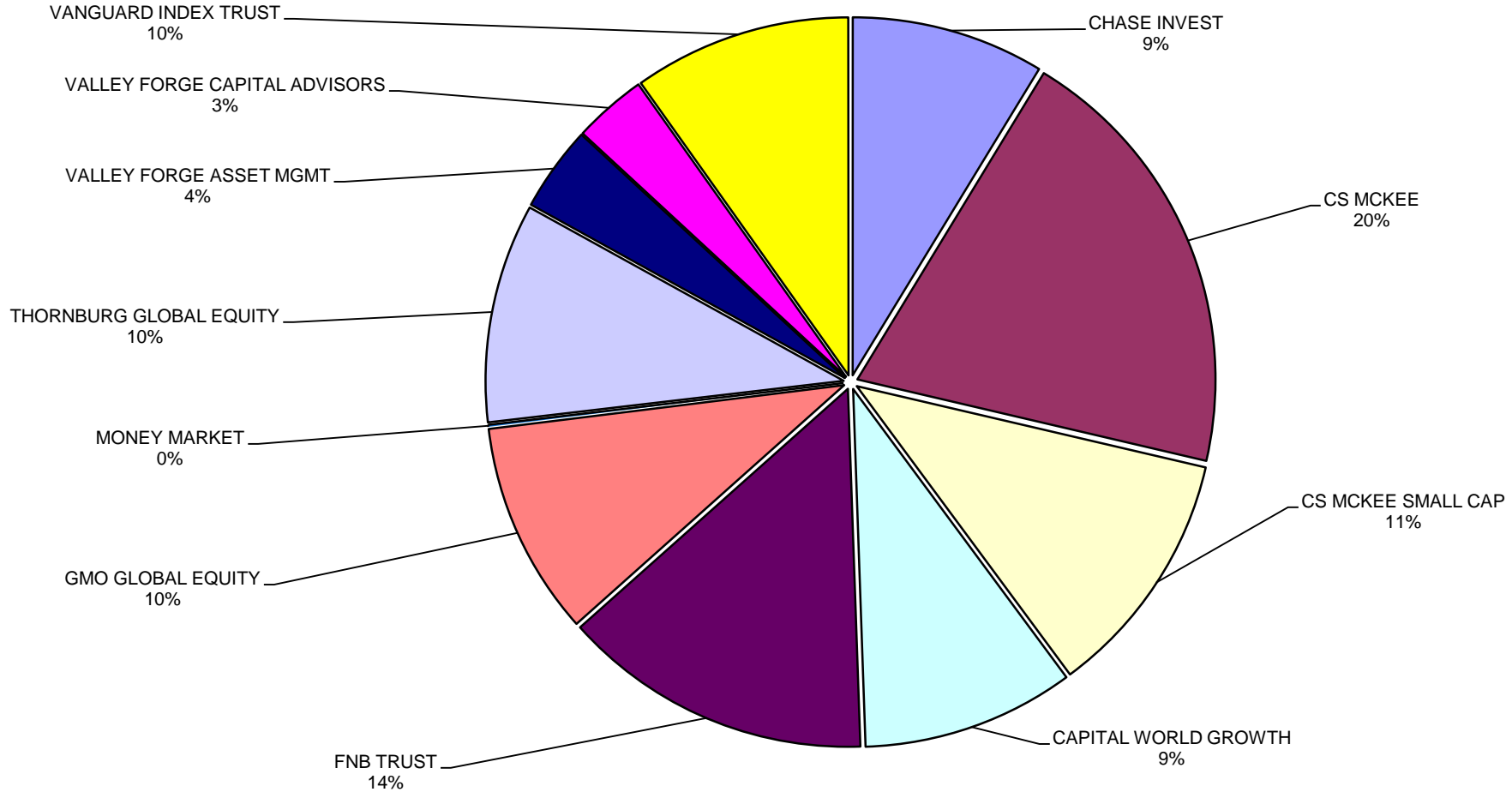
In 2009 the Cambria County Retirement Board paid out \$6,553,305.57 in retirement benefits to the retirees, and additional \$1,630,342.02 was paid in withdrawals to individuals who left County employment, and \$830,230.52 in death benefits. The grand total of benefits paid from the fund in 2009 was \$9,013,878.11.

CAMBRIA COUNTY RETIREMENT PLAN PORTFOLIO AS OF 12/31/09



CHASE INVEST	CS MCKEE	CS MCKEE SMALL CAP
CAPITAL WORLD GROWTH	FNB TRUST	GMO GLOBAL EQUITY
MONEY MARKET	THORNBURG GLOBAL EQUITY	VALLEY FORGE ASSET MGMT
VALLEY FORGE CAPITAL ADVISORS	VANGUARD INDEX TRUST	

CAMBRIA COUNTY RETIREMENT PLAN PORTFOLIO AS OF 12/31/09 (% OF PORTFOLIO BY MANAGER)



■ CHASE INVEST	■ CS MCKEE	□ CS MCKEE SMALL CAP
□ CAPITAL WORLD GROWTH	■ FNB TRUST	■ GMO GLOBAL EQUITY
■ MONEY MARKET	□ THORNBURG GLOBAL EQUITY	■ VALLEY FORGE ASSET MGMT
■ VALLEY FORGE CAPITAL ADVISORS	■ VANGUARD INDEX TRUST	