

**CAMBRIA COUNTY PENSION FUND**  
**FINANCIAL STATEMENT**  
**DECEMBER 31, 2014**

February 2015

It is that time of year again when we present our annual Cambria County Retirement Fund summary in an easy to read format.

As in past years, the amount of retirees continues to increase. The Cambria County Retirement Fund at the end of 2014 provided monthly payroll benefits to 1,032 individuals. The dollar amounts of those benefits are approximately \$1,000,000. Once again, despite increasing the number of Retirees receiving monthly payments our value rose again. We give credit to the Retirement Board, as well as our Consultant, Custodian, and nine Fund Managers for this achievement.

Throughout the next few pages is a summary of the Fund as a whole. You will see that the County contributed \$2,313,521 to the Fund as its obligation, as well as \$3,277,551 toward Retiree health care for those individuals who have qualified for those benefits. As you read these facts, if you have any questions about any part of the Fund, we would be available to discuss it with you. We feel, as Fiduciaries of the Fund, that we have, as a Board, provided a valuable service to the employees, retirees, and the taxpayers of Cambria County.

Please feel free to contact us with any questions at the Controller's Office at (814) 472-1620 and we will be glad to assist you.

Thank You and Best Wishes,

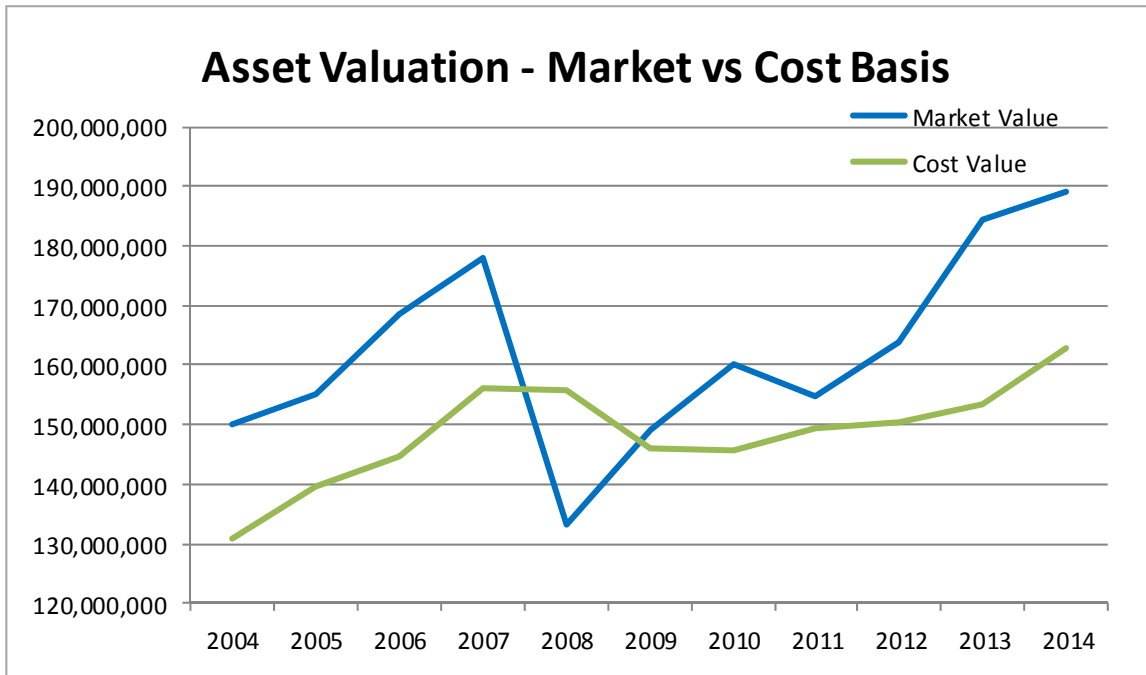
***Cambria County  
Retirement Board***



**CAMBRIA COUNTY**

**Statement of Plan Assets As Of December 31, 2014**

<u>Assets</u>	Cost Value	Market Value
Cash and Short Term Investments	\$ 3,552,945.96	\$ 3,552,945.96
Receivables	371,679.27	371,679.27
Investments:		
U.S. Government Obligations	19,849,597.59	19,770,241.41
Domestic Corporate Bonds	22,046,907.94	21,986,779.15
Fixed Income Mutual Funds	16,838,131.03	17,332,069.59
Domestic Equities	41,873,162.57	51,303,877.09
International Equities	22,637,999.59	21,968,040.61
Domestic Mutual Funds	32,561,531.84	48,619,073.96
Real Estate	3,111,101.91	4,296,068.25
<b>Total Assets December 31, 2014</b>	<b>\$ 162,843,057.70</b>	<b>\$ 189,200,775.29</b>



Dear Retirees,

It is hard to believe that another year has come and gone already. The report from the Controller's Office and the Retirement Board is that your fund continues to rank among the top in the State as far as County Pensions are concerned. The Board and our Managers and Consultant have worked very diligently this year in growing the Fund without incurring any new risks. The Fund paid out more benefits to our Retirees and their beneficiaries in 2014 and the ending balance as of December 31<sup>st</sup> reflects an increase of \$4.9 million.

At the end of 2014 the number of retirees receiving monthly pension payments was 1,032. Throughout 2014, our Office processed 46 new individuals to retirement. The total pension payroll for 2014 was \$12,117,504 which includes member contributions that were refunded and death benefits paid. Once again we had a slight decrease in the cost to process and administer the fund. The reduction of \$4,736 brought our administrative fees down to \$80,771. The fees we paid to various managers and consultants however increased slightly by \$72,527 which was due to the increase in the market value of the fund.

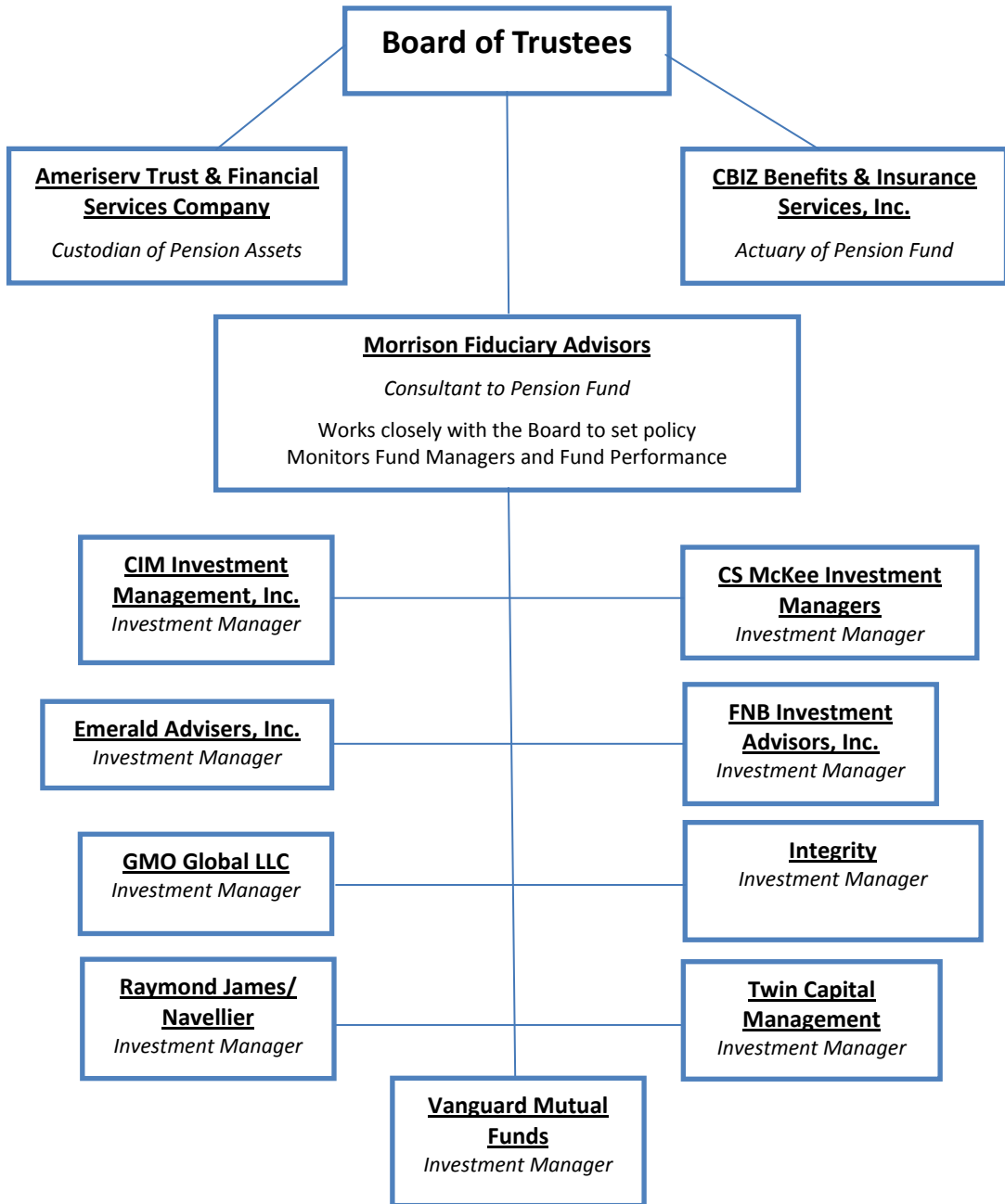
All of the efforts of the Board of Trustees, our 9 Investment Managers, our Consultant, Custodian, and Actuary continue to provide a sound reliable source of Retirement income for the former employees, and current employees of Cambria County. I would be remiss if I didn't acknowledge the dedicated efforts of my staff, Kristine Segear and Dana Descavish, for their diligence to process and administer payments and review of the transactions of the Fund. They have been doing their respective duties for many years and are great assets to the County, the Fund, and to me personally as we provide Retirement Services to all employees and retirees.

Yours Truly,

Ed Cernic Jr.  
Retirement Fund Secretary



# Structure of the Plan Management

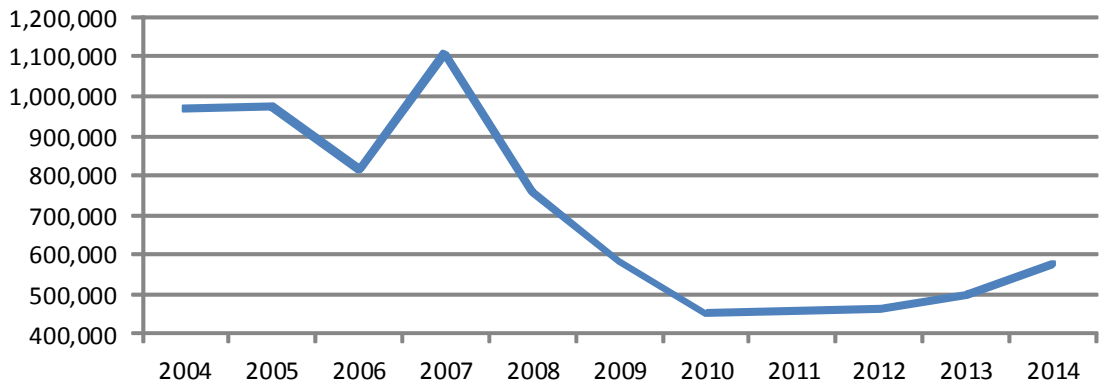


## CAMBRIA COUNTY RETIREMENT FUND

### COMPARISON OF MARKET VALUE BY FUND TO MANAGEMENT FEES

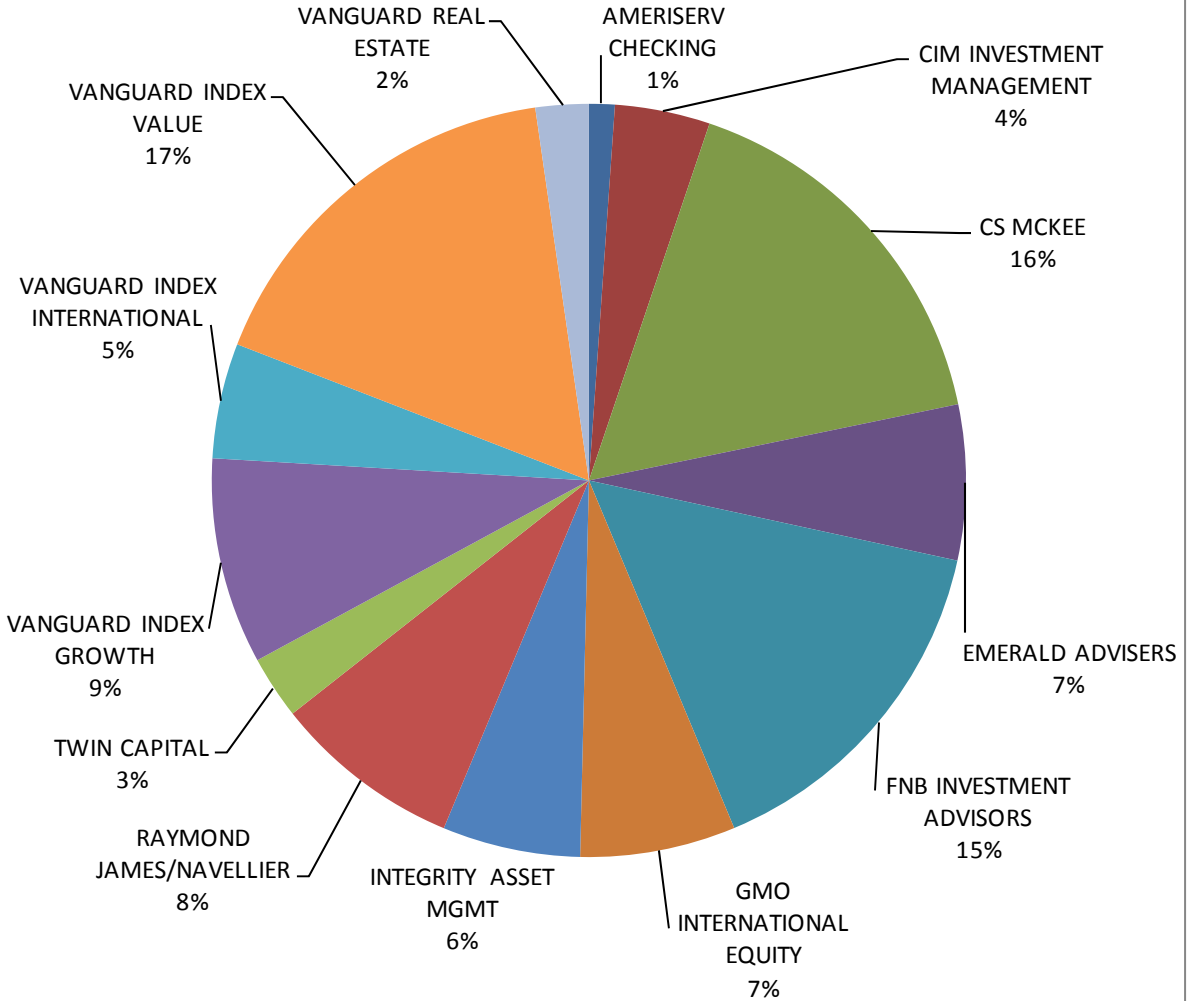
	12/31/14 MARKET VALUE	ANNUAL FEES	APPROX. FEES ON MUTUAL FDS	TOTAL MGMT FEES
AMERISERV CHECKING	2,086,562.06			
CIM	7,717,571.21	33,127.47		33,127.47
CS MCKEE	31,357,770.28	75,289.51		75,289.51
EMERALD ADVISERS	12,605,323.78	75,860.34		75,860.34
FNB INVESTMENT ADVISORS	28,923,795.71	43,011.26	49,170.45	92,181.71
GMO INTERNATIONAL EQUITY	12,612,056.60	10,000.00	93,329.22	103,329.22
INTEGRITY ASSET MGMT	11,184,323.47	99,246.00		99,246.00
RAYMOND JAMES/NAVELLIER	15,316,257.98	63,745.18		63,745.18
TWIN CAPITAL (Hired in 12/2014)	5,125,981.09	974.36		974.36
VANGUARD - GROWTH	16,742,278.74		13,393.82	13,393.82
VANGUARD INTERNATIONAL	9,355,984.01		10,603.45	10,603.45
VANGUARD - VALUE RUSSELL 2000	sold 6/19/14		2,526.33	2,526.33
VANGUARD - VALUE	31,876,802.11		25,501.44	25,501.44
VANGUARD REAL ESTATE	4,296,068.25		3,436.85	3,436.85
AMERISERV TRUST (CUSTODIAN)		74,137.92		74,137.92
CBIZ (ACTUARY)		23,040.00		23,040.00
MORRISON FIDUCIARY ADVISORS		74,084.87		74,084.87
	<b>189,200,775.29</b>	<b>572,516.91</b>	<b>197,961.57</b>	<b>770,478.48</b>

### Investment Management Fees Paid by Year \*



\* Chart does not include approximate Mutual Fund Fees

**CAMBRIA COUNTY RETIREMENT PLAN PORTFOLIO  
AS OF 12/31/14  
(% OF PORTFOLIO BY MANAGER)**



- |                         |                                |                            |
|-------------------------|--------------------------------|----------------------------|
| ■ AMERISERV CHECKING    | ■ CIM INVESTMENT MANAGEMENT    | ■ CS MCKEE                 |
| ■ EMERALD ADVISERS      | ■ FNB INVESTMENT ADVISORS      | ■ GMO INTERNATIONAL EQUITY |
| ■ INTEGRITY ASSET MGMT  | ■ RAYMOND JAMES/NAVILLIER      | ■ TWIN CAPITAL             |
| ■ VANGUARD INDEX GROWTH | ■ VANGUARD INDEX INTERNATIONAL | ■ VANGUARD INDEX VALUE     |
| ■ VANGUARD REAL ESTATE  |                                |                            |

**CAMBRIA COUNTY**  
**Employees' Retirement Fund 2014 Financial Report**

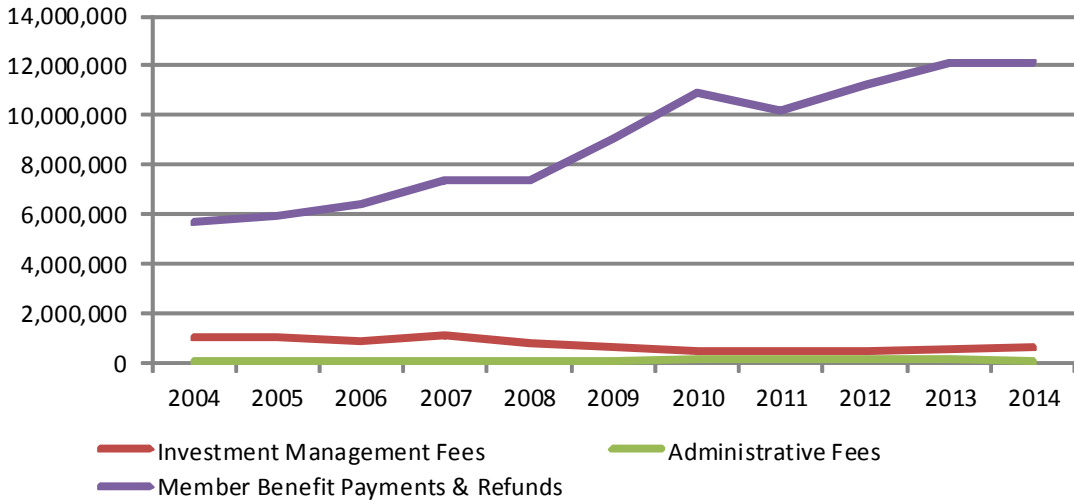
**Statement of Changes in Plan Net Assets For The Year Ended December 31, 2014**

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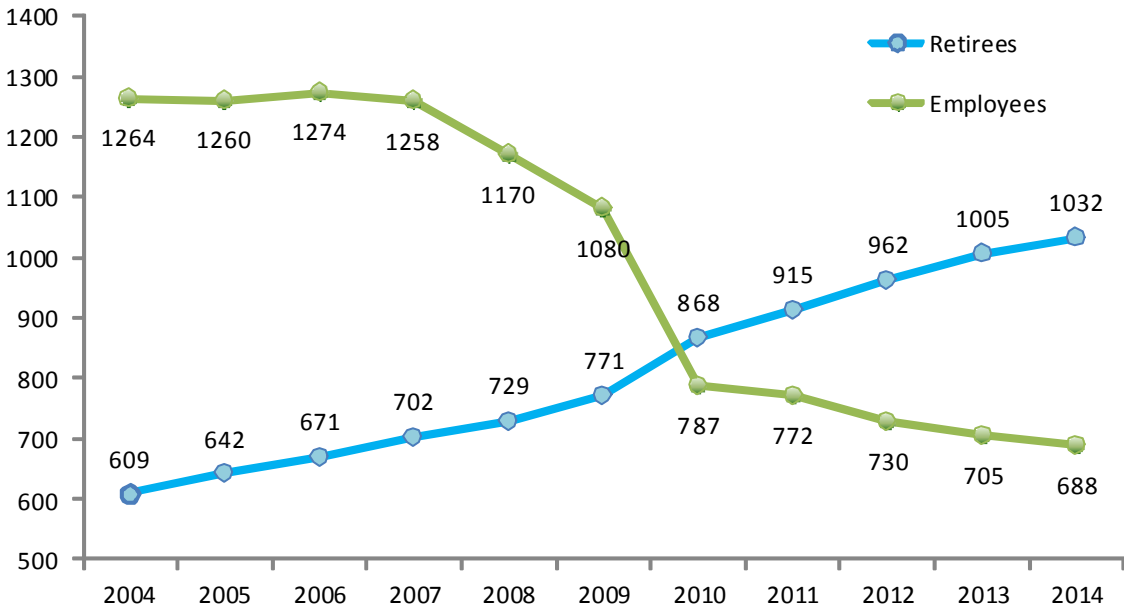
Total Assets (cost value) January 1, 2014	\$ <u>153,455,379.32</u>
<b>Additions/Income</b>	
Member Contributions (including member share of military or leave of absence buyback)	2,670,943.29
Member purchase of County share of military or leave of absence	26,972.05
County Contributions	2,313,521.00
Investment Income:	
Interest	688,196.14
Dividends	2,688,569.13
Realized Capital Gains	13,381,025.36
Net Accrued Interest/other	371,679.27
Miscellaneous	0.00
<b>Total Additions</b>	<b>+\$ <u>22,140,906.24</u></b>
<b><u>Deductions / Expenses</u></b>	
Member Contributions Refunded	284,357.66
Retirement allowances paid (includes C-O-L and accumulated deductions withdrawn under Option 4)	11,763,086.64
Death Benefits	70,059.12
Administrative Expenses	80,770.87
Investment expenses	572,516.91
Miscellaneous	0.00
Change in Accounts Payable	<u>(17,563.34)</u>
<b>Total Deductions</b>	<b>-\$ <u>12,753,227.86</u></b>
<b><u>Net Increase</u></b>	<b>\$ <u>9,387,678.38</u></b>
Total Assets (cost value) December 31, 2014	\$ <u>162,843,057.70</u>
Unrealized appreciation/depreciation	<u>26,357,717.59</u>
Total Assets (market value) December 31, 2014	\$ <u>189,200,775.29</u>



## Comparison of Annual Expenses



## Number of Retirees versus Employees at Year End



**CAMBRIA COUNTY RETIREMENT PLAN PORTFOLIO AS OF 12/31/14**

<b>COST</b>	<b>CASH EQUIVALENTS</b>	<b>GOVERNMENT &amp; AGENCIES</b>	<b>CORPORATE</b>	<b>MUTUAL FUNDS</b>	<b>EQUITIES</b>	<b>TOTAL</b>
AMERISERV CHECKING	2,086,562.06					2,086,562.06
CIM	156,175.73				5,619,093.14	5,775,268.87
CS MCKEE	712,576.59	10,593,530.09	19,830,271.86			31,136,378.54
EMERALD ADVISERS INC	60,549.15				9,795,334.17	9,855,883.32
FNB INVESTMENT ADVISORS INC	143,421.40	9,256,067.50	2,216,636.08	16,838,131.03		28,454,256.01
GMO INTERNATIONAL EQUITY				12,255,531.97		12,255,531.97
INTEGRITY	60,702.94				10,099,097.12	10,159,800.06
RAYMOND JAMES/ NAVELLIER	199,645.78				11,492,619.75	11,692,265.53
TWIN CAPITAL	133,312.31				4,867,018.39	5,000,330.70
VANGUARD INDEX- GROWTH				10,117,555.24		10,117,555.24
VANGUARD INDEX - INTERNATIONAL				10,382,467.62		10,382,467.62
VANGUARD INDEX - VALUE				22,443,976.60		22,443,976.60
VANGUARD REAL ESTATE				3,111,101.91		3,111,101.91

**3,552,945.96 19,849,597.59 22,046,907.94 75,148,764.37 41,873,162.57 162,471,378.43**

MARKET	CASH EQUIVALENTS	GOVERNMENT & AGENCIES	CORPORATE	MUTUAL FUNDS	EQUITIES	TOTAL
AMERISERV CHECKING	2,086,562.06					2,086,562.06
CIM	156,175.73				7,551,867.82	7,708,043.55
CS MCKEE	712,576.59	10,631,159.41	19,782,890.40			31,126,626.40
EMERALD ADVISERS INC	60,549.15				12,543,005.61	12,603,554.76
FNB INVESTMENT ADVISORS INC	143,421.40	9,139,082.00	2,203,888.75	17,332,069.59		28,818,461.74
GMO INTERNATIONAL EQUITY				12,612,056.60		12,612,056.60
INTEGRITY	60,702.94				11,113,534.31	11,174,237.25
RAYMOND JAMES/ NAVELLIER	199,645.78				15,106,421.25	15,306,067.03
TWIN CAPITAL	133,312.31				4,989,048.10	5,122,360.41
VANGUARD INDEX- GROWTH				16,742,271.85		16,742,271.85
VANGUARD INDEX - INTERNATIONAL				9,355,984.01		9,355,984.01
VANGUARD INDEX - VALUE				31,876,802.11		31,876,802.11
VANGUARD REAL ESTATE				4,296,068.25		4,296,068.25
	<b>3,552,945.96</b>	<b>19,770,241.41</b>	<b>21,986,779.15</b>	<b>92,215,252.41</b>	<b>51,303,877.09</b>	<b>188,829,096.02</b>

ACCRUALS	INTEREST	DIVIDENDS	CASH	TOTAL MKT VAL
	<b>311,735.98</b>	<b>59,943.29</b>	<b>-</b>	<b>189,200,775.29</b>

## ***CAMBRIA COUNTY RETIREMENT BOARD MEMBERS***



**Douglas R. Lengenfelder, Chairman**  
President Commissioner



**Mark J. Wissinger, Vice-Chairman**  
County Commissioner



**Thomas C. Chernisky, 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](mailto:d-descavish@co.cambria.pa.us)