

**CAMBRIA COUNTY
RETIREMENT FUND**

December 31, 2016



FINANCIAL STATEMENT



April 2017

Throughout 2016 your Board of Trustees has diligently worked with our Investment Consultant and our Fund managers to ensure that the Cambria County Retirement Fund has remained one of the best in the State and is well funded. It has become increasingly difficult to achieve the double digit returns that we did in the past, however we feel that we are positioned correctly to maintain our funded position so that your Retirement is secure and safe for years to come.

You will find in the next few pages detailed information pertaining to our Fund. Take time to review the details and if you have any questions, please don't hesitate to contact us about them. Let it be noted that the County Commissioners are continuing to fund the County Contribution as required.

Your Board of Trustees continue to work to maintain low costs to the Fund while striving to increase financial performance of the overall Fund. Thank you for the support and faith in us as we move the Fund forward.

Sincerely,

***Cambria
County
Retirement
Board***

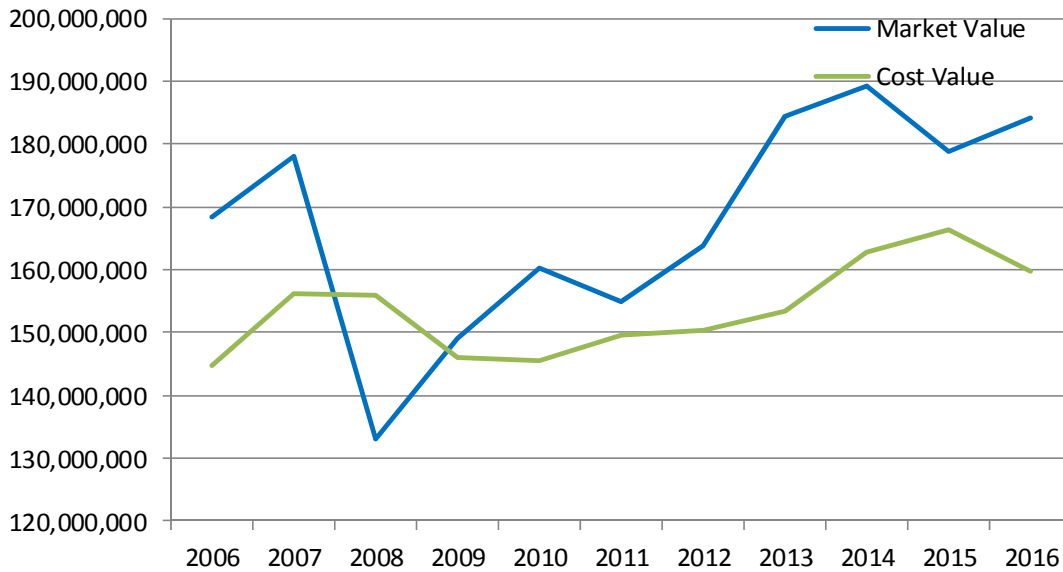


CAMBRIA COUNTY

Statement of Plan Assets As Of December 31, 2016

<u>Assets</u>	<u>Cost Value</u>	<u>Market Value</u>
Cash and Short Term Investments	\$ 2,214,022.82	\$ 2,214,022.82
Receivables	263,376.83	263,376.83
Investments:		
U.S. Government Obligations	21,350,573.28	21,091,538.81
Domestic Corporate Bonds	17,242,700.34	17,023,814.54
Fixed Income Mutual Funds	3,206,148.42	3,208,098.64
High Yield Limited Partnership	9,463,110.11	12,176,627.92
Domestic Equities	33,137,565.45	38,746,559.67
International Equities	13,463,266.15	12,831,412.35
Domestic Mutual Funds	46,277,911.23	62,861,891.59
Master Limited Partnerships	8,559,437.40	7,896,382.19
Real Estate	4,504,032.55	5,793,631.02
 Total Assets December 31, 2016	 \$ <u>159,682,144.58</u>	 \$ <u>184,107,356.38</u>

Asset Valuation - Market vs Cost Basis



Dear Cambria County Retirees,

As we look back at 2016 and the uncertainty of the Presidential Election and Elections in general, the market was unsettled and our balance was basically the same from the beginning of the year through October. However after the Election, the markets saw positive indicators and reacted. At year end, the Fund ended with a balance of over \$184,107,356.

The number of retired people from Cambria County increased slightly over the past year to 1,083 members. The amount being paid to Retirees has now gone over \$14 Million a year. Throughout 2016, our Office processed 50 new individuals to Retiree status. Administrative fees were \$94,475 which represents an increase since last year; however, Investment expenses decreased \$99,544 for 2016.

In the following pages we detail the operations of the Cambria County Retirement Fund, and the performance of the Fund by our 9 investment management firms. If at any time you have any questions or concerns about the Fund, please don't hesitate to contact us at 814-472-1620.

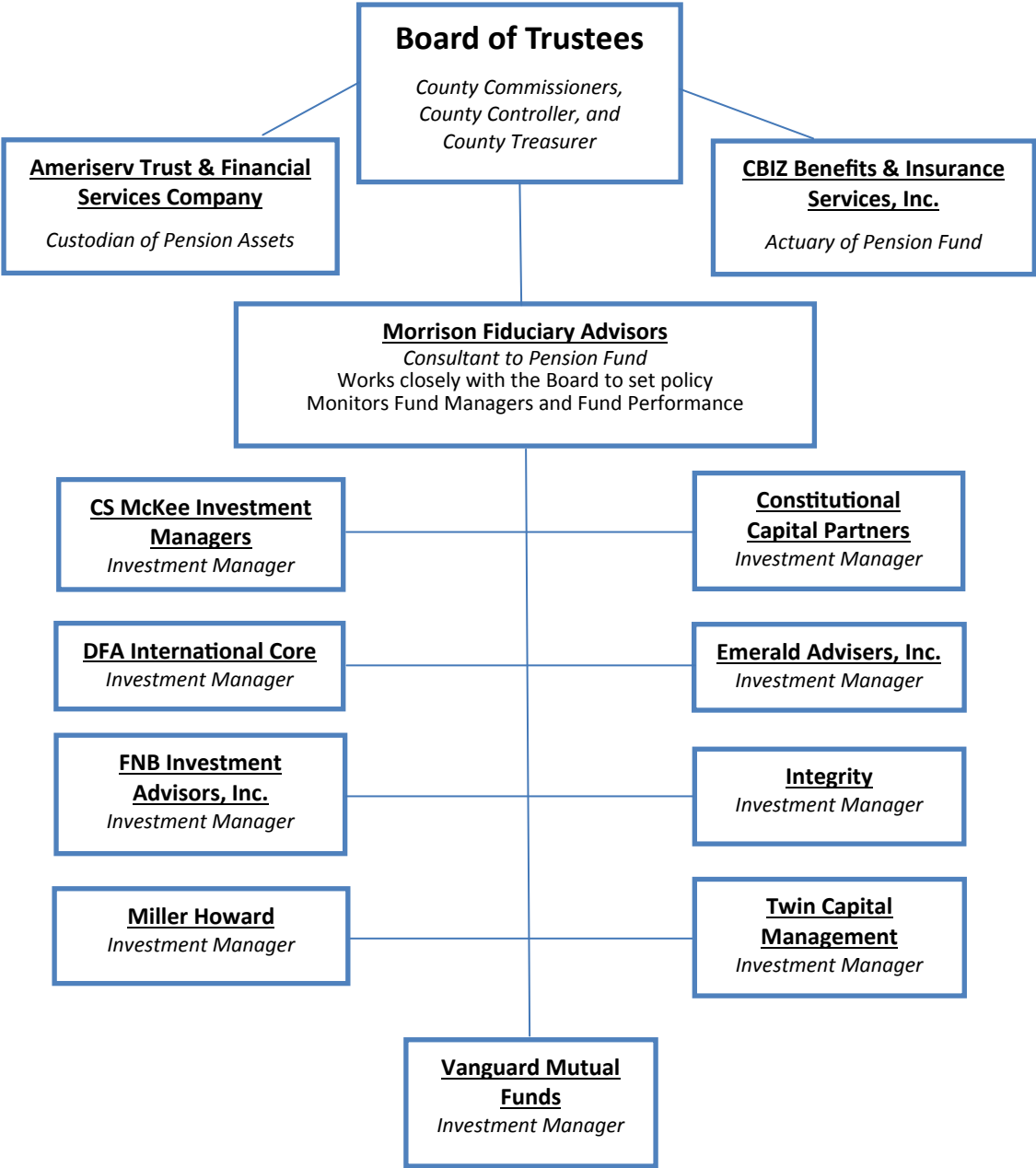
The Board of Trustees consists of: the three County Commissioners, Tom Chernisky, President, William "B.J." Smith, and Mark Wissinger; Treasurer Lisa Kozorosky; and myself, Ed Cernic. I would like to once again recognize the work of Dana Descavich, 2nd Deputy Controller/Pension Benefits Health Care Administrator and Kristine Segear 1st Deputy Controller/CPA for the Controller's Office. On behalf of the Board, I want to thank you for your support of all of our efforts.

Yours Truly,

Ed Cernic Jr.
Retirement Fund Secretary



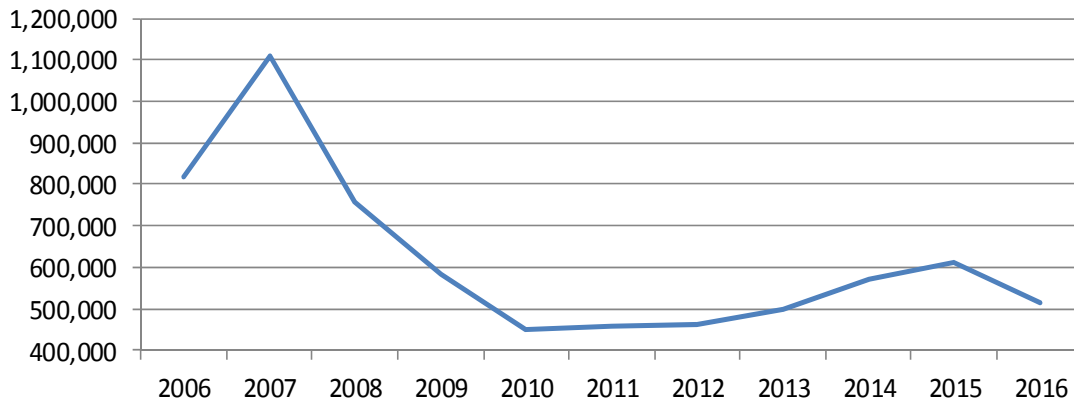
Structure of the Plan Management



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

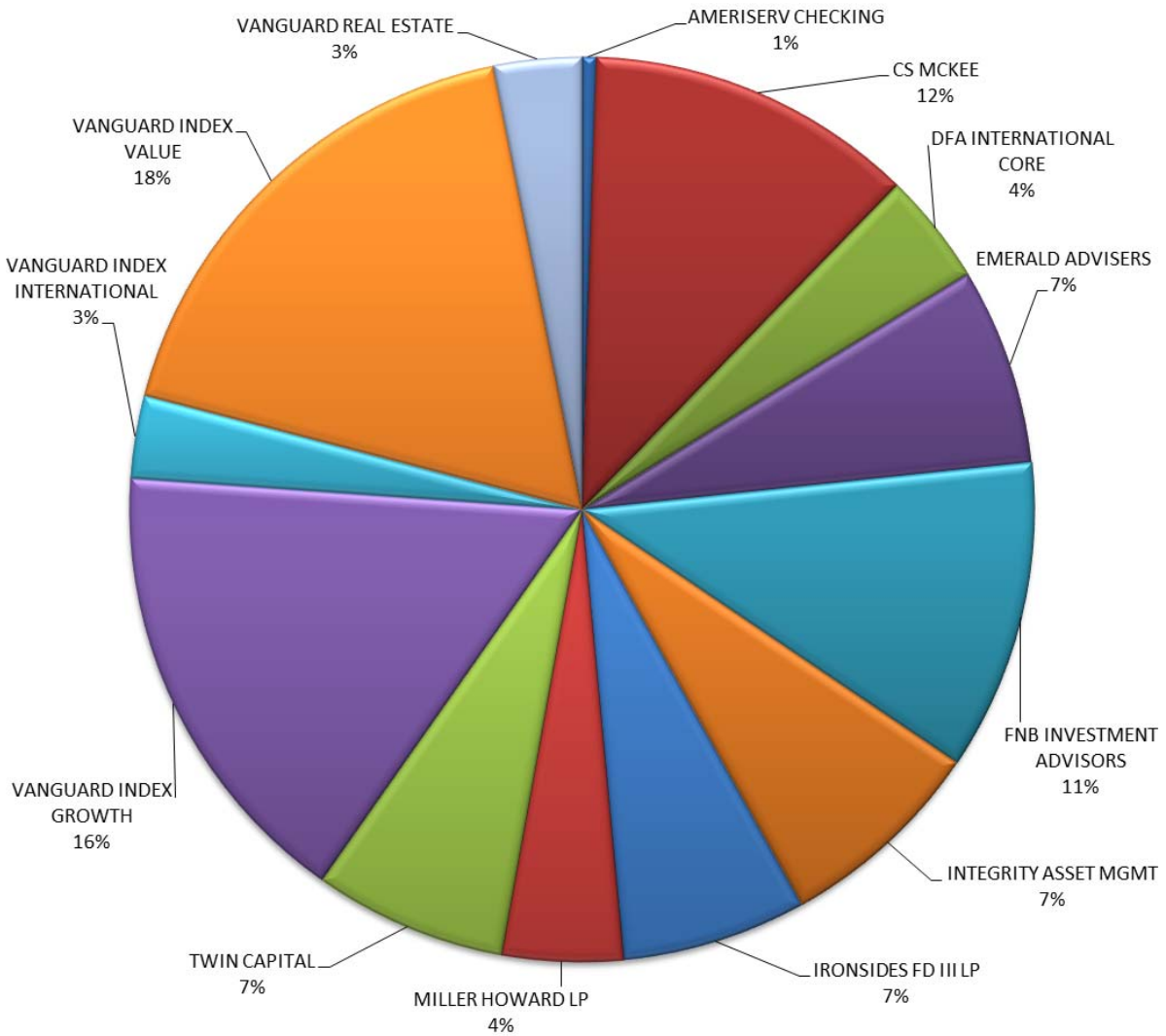
	12/31/16 Market Value	Annual Fees	Approx. Fees on Mutual Funds	Total Fees
AMERISERV CHECKING	938,869.15			0.00
CIM	closed 3/2016	4,144.52		4,144.52
CS MCKEE	21,682,087.16	52,184.15		52,184.15
DFA INTERNATIONAL CORE	7,389,552.90		22,168.66	22,168.66
EMERALD ADVISERS	12,934,693.25	66,115.94		66,115.94
FNB INVESTMENT ADVISORS	20,480,299.66	38,255.65	5,453.77	43,709.42
INTEGRITY ASSET MGMT	13,738,677.72	107,995.00		107,995.00
IRONSIDES	12,176,627.92		100,000.00	100,000.00
MILLER HOWARD LP	7,964,731.95	35,583.64		35,583.64
RAYMOND JAMES/NAVELLIER	closed 3/2016	5,649.16		5,649.16
TWIN CAPITAL	12,704,434.61	32,353.81		32,353.81
VANGUARD - GROWTH	30,103,480.18		24,082.78	24,082.78
VANGUARD INTERNATIONAL	5,441,859.45		18,502.32	18,502.32
VANGUARD - VALUE	32,758,411.41		26,206.73	26,206.73
VANGUARD REAL ESTATE	5,793,631.02		5,793.63	5,793.63
AMERISERV TRUST (CUSTODIAN)		76,859.51		76,859.51
CBIZ (ACTUARY)		23,040.00		23,040.00
MORRISON FIDUCIARY ADVISORS		71,056.21		71,056.21
	184,107,356.38	513,237.59	202,207.89	715,445.48

Investment Management Fees Paid by Year *



* Chart does not include approximate Mutual Fund Fees

**CAMBRIA COUNTY RETIREMENT PLAN PORTFOLIO
AS OF 12/31/16
(% OF PORTFOLIO BY MANAGER)**

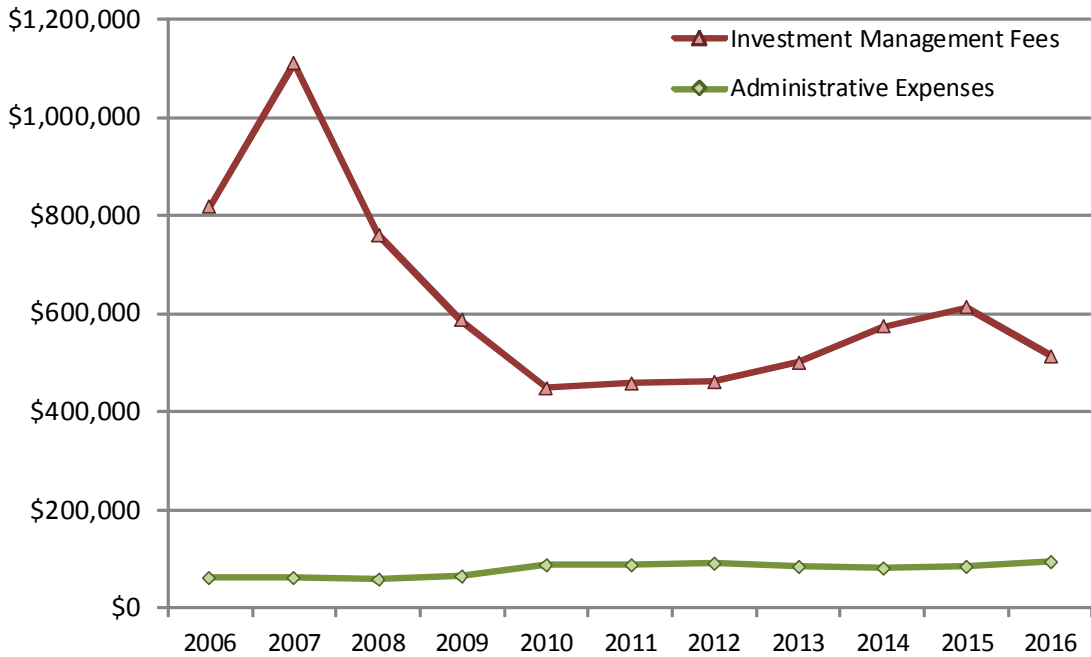
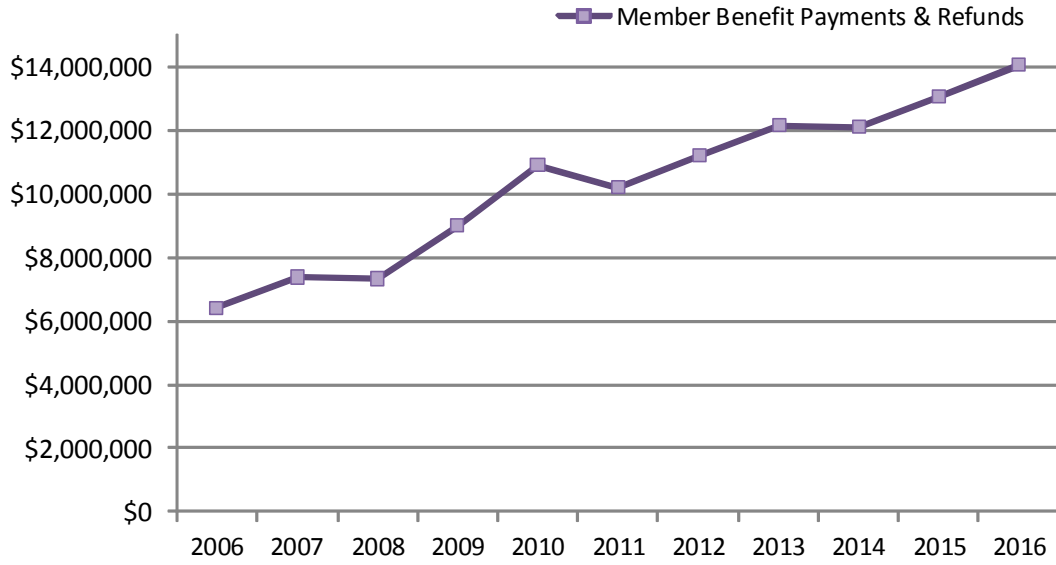


CAMBRIA COUNTY
Employees' Retirement Fund 2016 Financial Report
Statement of Changes in Plan Net Assets For The Year Ended December 31, 2016

Total Assets (cost value) January 1, 2016	\$ <u>178,821,454.44</u>
Additions/Income	
Member Contributions (including member share of military or leave of absence buyback)	2,700,231.59
Member purchase of County share of military or leave of absence	100.00
County Contributions	2,572,079.60
Investment Income:	
Interest	660,917.86
Dividends	3,707,575.14
Realized Capital Gains	(1,946,256.28)
Net Accrued Interest/other	263,376.83
Miscellaneous	0.00
Total Additions	+\$ <u>7,958,024.74</u>
<u>Deductions / Expenses</u>	
Member Contributions Refunded	629,737.71
Retirement allowances paid (includes C-O-L and accumulated deductions withdrawn under Option 4)	13,298,600.77
Death Benefits	115,475.31
Administrative Expenses	94,474.59
Investment expenses	513,237.59 **
Miscellaneous	0.00
Change in Accounts Payable	499.42
Total Deductions	-\$ <u>14,652,025.39</u>
<u>Net Increase</u>	\$ <u>(6,694,000.65)</u>
Total Assets (cost value) December 31, 2016	\$ <u>172,127,453.79</u>
Unrealized appreciation/depreciation	11,979,902.59
Total Assets (market value) December 31, 2016	\$ <u>184,107,356.38</u>

**** See Page 6 for the Investment Expense Detail for a Breakdown of Investment Expense**

Comparison of Annual Expenses

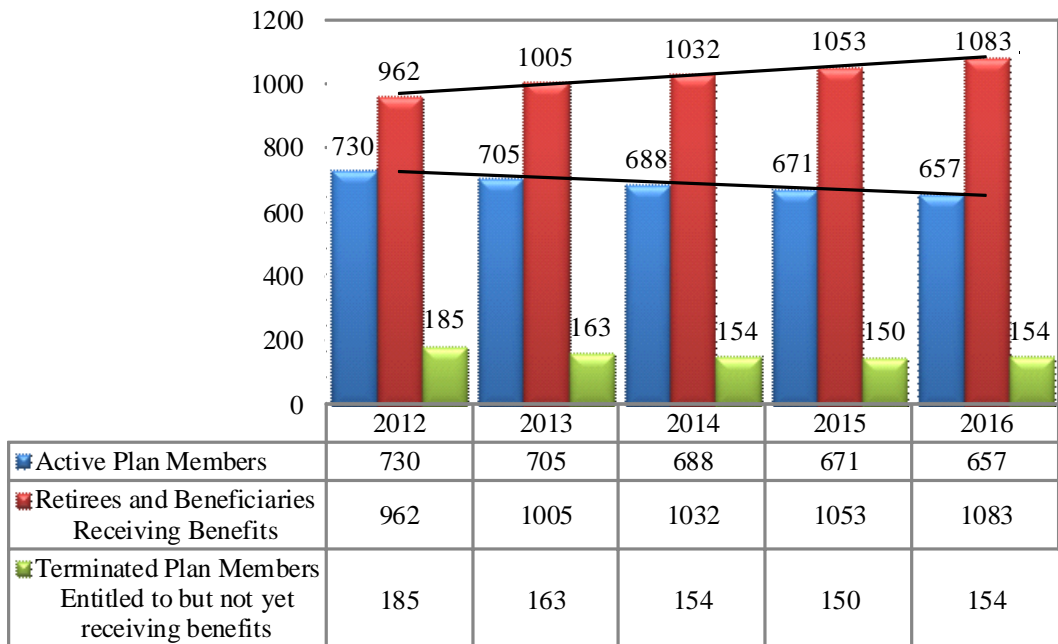


ACTIVE PLAN MEMBERS vs. ACTIVE RETIREES & VESTED MEMBERS

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, 2016, there were 1,894 plan members: 1,083 Retirees and Beneficiaries receiving benefits; 154 Terminated Plan Members entitled to but not yet receiving benefits; and 657 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 or 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.



2016

CAMBRIA COUNTY RETIREES

Congratulations and Thank you for your service!

Mary Lou Ardini

Thomas Balsinger

Catherine Bender

Frances Borlic

Susan Bowman

Carol Burkhardt

Michael Clawson

Carmella Conway

Deborah Corbett

Susan Cymbor

Karen Deskevich

Linda Ditz

Jane Farabaugh

Annette Feighner

Karen Fugini

Andrew Flancharik

James Hoenschell

Sandy Jones

Gary Jubas

Lauren Keselyak

Mary Kozak

Dennis Kwiatkowski

Virginia Lonas

Joyce Long

Patrick Lynch

Mary Makin

Martha Matta

John Mavrodis

Michael McGough

Larry Morris

Cathy O'Leary

Diana Olsavsky

Marion Orsargos

Douglas Palko

Sandra Peterson

Robert Piper Jr.

Barb Reese

Thomas Schreyer

Ann Serafin

Jonathan Szerenko

Gagnell Shrift

Andrea Sims

Shirley Strittmatter

Holly Taranto

Richard Unger

John Walters

Vicky Watroba

Montreville Weakland



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