

FIFTY-NINTH ANNUAL REPORT

of the

C O N T R O L L E R

of

Armstrong County

MYRA L. MILLER

County Controller

AMANDA C. HILES

First Deputy Controller

TAMMIE L. GAFF

Second Deputy Controller

A/P Supervisor

STAFF:

CHERRIO L. MILLER
RAGAN S. MCGAUGHEY
SHARON L. COGLEY
SUE E. BURK



County of Armstrong

Office of the Controller

Myra "Tammy" Miller, Controller

Amanda C. Hiles, First Deputy
Tammie L. Gaff, Second Deputy
Cherri L. White, A/P Supervisor

Courthouse Administration Building
450 Market Street, Kittanning, PA 16201
724.548.3241 Phone | 724.548.3204 Fax
email: controller@co.armstrong.pa.us

FIFTY-NINTH ANNUAL REPORT OF ARMSTRONG COUNTY TO THE TAXPAYERS OF ARMSTRONG COUNTY

This, the Fifty-Ninth Annual Report of the Controller of Armstrong County has been prepared primarily for your information. The office of the controller is mandated by law with the responsibility of safeguarding the financial interests of the taxpayers of Armstrong County. To this end, we see that all monies received and taxes collected by the county are properly accounted for and legally distributed.

The Controller's Office prepares all checks for the County and maintains appropriate monthly reports of all receipts and expenditures. We also maintain valuable County documents and perform periodic audits of various County offices and agencies. The Controller, as specified by law, is Secretary of the Armstrong County Employees Retirement Board and is also a member of both the Armstrong County Salary Board and the Armstrong County Prison Board.

The cooperation given this office by the many departments and agencies within the County government has been a major factor in reaching our goal of complete and centralized control of the County's finances. The liaison and communications between the Controller's Office and the County Commissioners is especially open and mutual desire exists to attain a high level of performance in offering maximum service for each dollar of the taxpayer's money.

This report has been prepared for the information benefit of the taxpayer and is presented here in summary form. The amounts listed herein are supported by detailed statements of receipts and expenditures and are available to the general public during the course of the normal business day.

Anyone interested in reviewing our records or desiring any further explanation of the fiscal affairs of Armstrong County may, at any time, contact this office. Your comments and suggestions concerning the operation of the Controller's Office or the fiscal affairs of the County in general would be most welcome.

Respectfully submitted,

Myra L. Miller
County Controller

MLM/t



County of Armstrong

Office of the Controller

Myra "Tammy" Miller, Controller

Amanda C. Hiles, First Deputy
Tammie L. Gaff, Second Deputy
Cherri L. White, A/P Supervisor

Courthouse Administration Building
450 Market Street, Kittanning, PA 16201
724.548.3241 Phone | 724.548.3204 Fax
email: controller@co.armstrong.pa.us

Honorable Joseph Nickleach
President Judge of the Court
of Common Pleas
Kittanning, PA 16201

I, Myra L. Miller, Controller of Armstrong County, Commonwealth of Pennsylvania; in accordance with the Act of Assembly creating the office of County Controller, herewith submit a statement of the fiscal affairs of Armstrong County for the period from January 1, 2006 to December 31, 2006.

Respectfully,

Myra L. Miller
County Controller

Now, July 31, 2007, 2007, the within
report made in open court and same is ordered and filed.

Honorable Joseph Nickleach

mlm



Armstrong County Officials - As of 12/31/06

- **JUDICIARY**

The Honorable Joseph A. Nickleach, President Judge
The Honorable Kenneth G. Valasek, Judge

- **COMMISSIONERS**

Patricia L. Kirkpatrick, Chairman
Richard L. Fink
James V. Scahill

- **CONTROLLER**

Myra L. Miller

- **TREASURER**

Sonie Mervis

- **RECORDER OF DEEDS**

Beverly Claypool Casella

- **PROTHONOTARY**

Brenda C. George

- **SHERIFF**

Larry R. Crawford

- **CORONER**

Robert Bower

- **JURY COMMISSIONERS**

Patricia G. Fiorina
Karen J. Schrecengost

**2006 COUNTY ANNUAL
FINANCIAL REPORT**

County of Armstrong

County of Armstrong
GOVERNMENT-WIDE STATEMENT OF NET ASSETS
 December 31, 2006

PRIMARY GOVERNMENT				
CURRENT ASSETS	CURRENT ASSETS:	GOVERNMENTAL	BUSINESS-TYPE	
		ACTIVITIES	ACTIVITIES	TOTAL
	Cash and cash equivalents	6,866,068	285,582	7,151,650
Investments	713,317		713,317	
Receivables (net allowance for uncollectibles)	2,226,603	949,452	3,176,055	
Due from other governments	854,311		854,311	
Internal balances	468,406	(121,121)	347,285	
Inventories	1,278	50,149	51,427	
Prepaids	46,522	13,758	60,280	
Deferred charges			-	
Restricted assets:				
Temporarily restricted:				
Cash and cash equivalents			-	
Investments			-	
Intergovernmental receivable			-	

NON-CURRENT ASSETS	NON-CURRENT ASSETS:				
	Permanently restricted:				
	Investments	265,713		265,713	
Capital assets not being depreciated:					
Land	747,040		747,040		
Construction in progress	80,588		80,588		
Capital assets net of accumulated depreciation:					
Buildings and system	17,339,600	1,371,285	18,710,885		
Improvements other than buildings	494,784	10,250	505,034		
Machinery and equipment	2,950,668	707,567	3,658,235		
Infrastructure	6,307,437		6,307,437		
Other			-		
Other			-		

TOTAL ASSETS	\$ 39,362,335	\$ 3,266,922	\$ 42,629,257
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PRIMARY GOVERNMENT				
LIABILITIES	LIABILITIES:	GOVERNMENTAL	BUSINESS-TYPE	
		ACTIVITIES	ACTIVITIES	TOTAL
	Accounts payable	1,235,058	294,357	1,529,415
Due to other governments			-	
Deferred Revenue	161,105		161,105	
Funds held as fiduciary	6,534		6,534	
Other current liabilities	196,383		196,383	
Noncurrent liabilities:				
Debt due within one year	1,201,835		1,201,835	
Debt due in more than one year	34,953,358		34,953,358	
Other non-current liabilities			-	
Other Accrued Compensated Absences	709,393	658,588	1,367,981	
Other Accrued Self-ins Workers Comp Claims	413,142		413,142	
TOTAL LIABILITIES	\$ 38,876,807	\$ 952,945	\$ 39,829,752	

NET ASSETS	NET ASSETS:			
	Investment in capital assets, net of related debt	(4,524,496)	2,089,102	(2,435,394)
Restricted	496,104		496,104	
Unrestricted	4,513,920	224,875	4,738,795	
TOTAL NET ASSETS	\$ 485,528	\$ 2,313,977	\$ 2,799,505	

County of Armstrong
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
 December 31, 2006

GOVERNMENTAL ACTIVITIES	PROGRAM REVENUES				NET (EXPENSES) REVENUES & CHANGES IN NET ASSETS		
	FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contribution	Capital Grants and Contributions	PRIMARY GOVERNMENT	
						Governmental Activities	Business-type Activities
PRIMARY/GOVERNMENT:							
Governmental Activities:							
General government - administrative	5,648,337	1,982,431	987,612		(2,678,294)		(2,678,294)
General government - judicial	4,270,796	1,738,715	771,401		(1,760,680)		(1,760,680)
Public safety	6,135,147	1,139,593	896,171		(4,099,383)		(4,099,383)
Highways and streets	283,616		316,441		32,825		32,825
Sanitation	57,545	16,309			(41,236)		(41,236)
Health and welfare	20,551,090	503,577	18,617,165		(1,430,348)		(1,430,348)
Culture-recreation	1,188,013	534,209	833,421		179,617		179,617
Conservation	352,012	3,000			(349,012)		(349,012)
Community/urban redevelopment & housing	1,705,345	87,791	1,526,301		(91,253)		(91,253)
Economic development & assistance	193,756	462			(193,294)		(193,294)
Economic opportunity	4,136,641		3,993,569		(143,072)		(143,072)
Interest on long term debt	1,969,810				(1,969,810)		(1,969,810)
Unallocated depreciation							
Other							
Other							
TOTAL GOVERNMENTAL ACTIVITIES	\$ 46,492,106	\$ 6,006,087	\$ 27,942,081	\$ -	\$ (12,543,938)	\$ -	\$ (12,543,938)

BUSINESS-TYPE ACTIVITIES	Major Business Type Activities:						
	1	2	3	4			
	Health Center	7,082,238	6,394,488	418,110	-	(269,640)	(269,640)
	2						
	3						
	4						
	5						
	Other Business Type						
	TOTAL BUSINESS-TYPE ACTIVITIES	\$ 7,082,238	\$ 6,394,488	\$ 418,110	\$ -	\$ (269,640)	\$ (269,640)

TOTAL PRIMARY GOVERNMENTS	\$ 53,574,344	\$ 12,400,575	\$ 28,360,191	\$ -	\$ (12,543,938)	\$ (269,640)	\$ (12,813,578)
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NET (EXPENSES) REVENUES & CHANGES IN NET ASSETS			
PRIMARY GOVERNMENT			
	Governmental	Business-type	
	Activities	Activitites	Total
TOTAL PRIMARY GOVERNMENTS	\$ (12,543,938)	\$ (269,640)	\$ (12,813,578)
GENERAL REVENUES:			
Taxes:			
Real Estate	13,502,361		13,502,361
Per Capita	194,781		194,781
Sales			-
Other <u>Hotel Room Rental Tax</u>	52,145		52,145
Other			-
Licenses and permits	40,628		40,628
Grant and contributions not restricted			-
Unrestricted investment earnings	438,464	10,140	448,604
Other <u>Rent</u>	190,228		190,228
Other <u>Transfers</u>	(250,000)	250,000	-
Other			-
Other			-
Transfers			-
TOTAL GENERAL REVENUES AND TRANSFERS	\$ 14,168,608	\$ 260,140	\$ 14,428,748

CHANGE IN NET ASSETS	\$ 1,624,669	\$ (9,500)	\$ 1,615,169
NET ASSETS - BEGINNING OF YEAR	(1,139,141)	2,323,477	1,184,336
PRIOR PERIOD ADJUSTMENT			-
NET ASSETS - END OF YEAR	\$ 485,528	\$ 2,313,977	\$ 2,799,505

County of Armstrong
BALANCE SHEET - GOVERNMENT FUNDS
(Including the Reconciliation of Total Governmental Fund Balance to Net Assets of Governmental Units)
December 31, 2006

ASSETS	General	Major # 1	Major # 2	Major # 3
		Children & Youth	Health Choices	Debt Service
Cash and cash equivalents	1,916,911	659,908	410	37,048
Investments				
Receivables (net of allowance for uncollectibles)	1,788,944	9,060		383,587
Due from other funds	1,346,683	35,729		85,246
Due from other governments	223,663	482,350		
Inventories	1,278			
Prepays	39,584			
Deferred charges				
Restricted assets:				
Temporarily restricted:				
Cash and cash equivalents				
Investments				
Intergovernmental receivable				
Permanently restricted:				
Investments				
Other				
Other				
TOTAL ASSETS	\$ 5,317,063	\$ 1,187,047	\$ 410	\$ 505,881

LIABILITIES	LIABILITIES:			
	Accounts Payable	614,307	185,486	
Due to other governments				
Due to other funds	196,383	995,027		
Deferred revenue	1,064,823			279,692
Other Funds Held in Escrow		6,534		
Other				
TOTAL LIABILITIES	\$ 1,875,513	\$ 1,187,047	\$ -	\$ 279,692

FUND BALANCE	FUND BALANCE:			
	Fund Balance, reserved	496,104		
Fund Balance, unreserved	2,945,446		410	226,189
TOTAL FUND BALANCE	\$ 3,441,550	\$ -	\$ 410	\$ 226,189

TOTAL LIABILITIES & FUND BALANCE	\$ 5,317,063	\$ 1,187,047	\$ 410	\$ 505,881
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	Major # 4	Major # 5	Other Governmental Funds	Total Governmental Funds
ASSETS:				
Cash and cash equivalents			4,177,507	6,791,784
Investments			713,317	713,317
Receivables (net of allowance for uncollectibles)			45,012	2,226,603
Due from other funds			79,633	1,547,291
Due from other governments			148,298	854,311
Inventories				1,278
Prepays			6,938	46,522
Deferred charges				-
Restricted assets:				
Temporarily restricted:				
Cash and cash equivalents				-
Investments				-
Intergovernmental receivable				-
Permanently restricted:				
Investments				-
Other				-
Other				-
TOTAL ASSETS	\$ -	\$ -	\$ 5,170,705	\$ 12,181,106

LIABILITIES:				
Accounts Payable			435,265	1,235,058
Due to other governments				-
Due to other funds			83,858	1,275,268
Deferred revenue			134,464	1,478,979
Other Funds Held in Escrow				6,534
Other				-
TOTAL LIABILITIES	\$ -	\$ -	\$ 653,587	\$ 3,995,839

FUND BALANCE:				
Fund Balance, reserved				496,104
Fund Balance, unreserved			4,517,118	7,689,163
TOTAL FUND BALANCE	\$ -	\$ -	\$ 4,517,118	\$ 8,185,267

TOTAL LIABILITIES & FUND BALANCE	\$ -	\$ -	\$ 5,170,705	\$ 12,181,106
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Amounts reported for governmental activities in the statement of net assets are different because:	
Internal service funds are used by management to change the certain costs to county departments and employees. The net assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets	(73,144)
Long-term liabilities, are not due and payable in the current period and therefore are not reported as a fund liability	(36,864,586)
The difference in net assets between full accrual accounting and modified accrual accounting due to differing revenue recognition criteria between the two methods	1,317,874
Capital assets used in government activities are not financial resources and, therefore, are not reported in the funds	27,920,117
Other	
Other	
NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$ 485,528

County of Armstrong
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2006

REVENUES

REVENUES:	Major # 1 Major # 2 Major # 3			
	General	Children & Youth	Health Choices	Debt Service
Taxes:				
Real estate taxes	10,712,551			2,635,322
Per capita taxes	191,486			
Personal property taxes				
Hotel room rental taxes				
Sales taxes				
Other				
Other				
TOTAL TAXES	\$ 10,904,037	\$ -	\$ -	\$ 2,635,322

Intergovernmental Revenues:				
Federal	127,025	972,071		
State	1,428,706	2,142,816		
Local government units	10,317			
Combination			12,911,480	
TOTAL INTERGOVERNMENTAL REVENUES	\$ 1,566,048	\$ 3,114,887	\$ 12,911,480	\$ -

Charges for Service	4,061,473	316,822		
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Miscellaneous Revenues:				
Interest earnings	247,114	22,475	2,321	3,618
Rents	144,168			46,060
Private contributions and donations				
Other Licenses/Permits	40,628			
Other				
TOTAL MISCELLANEOUS REVENUES	\$ 431,910	\$ 22,475	\$ 2,321	\$ 49,678

TOTAL REVENUES:	\$ 16,963,467	\$ 3,454,184	\$ 12,913,801	\$ 2,685,000
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REVENUES

REVENUES:	Major # 4	Major # 5	Other Governmental Funds	Governmental Total
Taxes:				
Real estate taxes				13,347,873
Per capita taxes				191,486
Personal property taxes				-
Hotel room rental taxes			52,145	52,145
Sales taxes				-
Other				-
Other				-
TOTAL TAXES	\$ -	\$ -	\$ 52,145	\$ 13,591,504

Intergovernmental Revenues:

Federal			3,270,119	4,369,215
State			3,792,810	7,364,332
Local government units			505	10,822
Combination			3,286,233	16,197,713
TOTAL INTERGOVERNMENTAL REVENUES	\$ -	\$ -	\$ 10,349,667	\$ 27,942,082

Charges for Service

			1,598,293	5,976,588
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Miscellaneous Revenues:

Interest earnings			147,211	422,738
Rents				190,228
Private contributions and donations				-
Other Licenses/Permits				40,628
Other				-
TOTAL MISCELLANEOUS REVENUES	\$ -	\$ -	\$ 147,211	\$ 653,594

TOTAL REVENUES:

	\$ -	\$ -	\$ 12,147,316	\$ 48,163,768
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EXPENDITURES

EXPENDITURES:

Major # 1

Major # 2

Major # 3

	General	Children & Youth	Health Choices	Debt Service
General government	8,792,919			
Public Safety	4,293,448			
Highways and streets				
Sanitation	56,373			
Health and welfare	498,722	3,947,810	12,968,559	
Culture - recreation	382,035			
Conservation	350,137			
Community/urban redevelopment and housing				
Economic development and assistance	149,764			
Economic opportunity				
Debt service	48,424			2,916,693
Capital outlay	227,029			
Other				
Other				
TOTAL EXPENDITURES	\$ 14,798,851	\$ 3,947,810	\$ 12,968,559	\$ 2,916,693

EXPENDITURES

OTHER FINANCING SOURCES/(USES):

Interfund operating transfers	(1,315,288)	493,626		
Sale of capital assets				
Proceeds from long-term debt				
Refund of bonds				
Other				
Other				
TOTAL OTHER FINANCING SOURCES/(USES)	\$ (1,315,288)	\$ 493,626	\$ -	\$ -

CHANGE IN FUND BALANCE

\$ 849,328	\$ 0	\$ (54,758)	\$ (231,693)
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FUND BALANCE - BEGINNING OF YEAR

2,625,171	-	55,168	457,883
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PRIOR PERIOD ADJUSTMENT

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FUND BALANCE - END OF YEAR

\$ 3,474,499	\$ 0	\$ 410	\$ 226,190
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EXPENDITURES

EXPENDITURES:

Major # 4

Major # 5

Other

Governmental

Governmental

Funds

Total

General government			673,259	9,466,178
Public Safety			1,207,630	5,501,078
Highways and streets			44,995	44,995
Sanitation				58,373
Health and welfare			3,040,159	29,455,250
Culture - recreation			736,664	1,118,699
Conservation				350,137
Community/urban redevelopment and housing			1,705,345	1,705,345
Economic development and assistance			41,549	191,313
Economic opportunity			4,136,391	4,136,391
Debt service				2,965,117
Capital outlay			974,599	1,201,628
Other				
Other				
TOTAL EXPENDITURES	\$ -	\$ -	\$ 12,560,591	\$ 47,192,504

EXPENDITURES

OTHER FINANCING SOURCES/(USES):

Interfund operating transfers			571,662	(250,000)
Sale of capital assets				
Proceeds from long-term debt				
Refund of bonds				
Other				
Other				
TOTAL OTHER FINANCING SOURCES/(USES)	\$ -	\$ -	\$ 571,662	\$ (250,000)

CHANGE IN FUND BALANCE

\$ -	\$ -	\$ 158,387	\$ 721,264
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FUND BALANCE - BEGINNING OF YEAR

		4,316,878	7,455,100
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PRIOR PERIOD ADJUSTMENT

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FUND BALANCE - END OF YEAR

\$ -	\$ -	\$ 4,475,265	\$ 8,176,364
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County of Armstrong
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**
 For the Year Ended December 31, 2006

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balance - total governmental funds	762,700
The net revenue of certain activities of the internal services fund is reported with governmental activities	(18,422)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Additionally, various other long-term liabilities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This amount is the net effect of the differences in the treatment of long-term liabilities on the statement of activities.	928,659
The difference in the change in net assets between full accrual accounting and modified accrual accounting due to differing revenue recognition criteria between the two accounting methods	157,783
The net effect of various transactions involving capital assets, (i.e. purchases, disposals, etc.) is to increase net assets	(206,650)
Other	
Other	
Other	
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$ 1,624,671

County of Armstrong
STATEMENT OF NET ASSETS FUNDS
 Proprietary Funds
 December 31, 2006

BUSINESS - TYPE ACTIVITIES - PROPRIETARY FUNDS					
	Major Bus. #1	Major Bus. #2	Major Bus. #3	Major Bus. #4	
CURRENT ASSETS	Health Center				
	CURRENT ASSETS:				
	Cash and cash equivalents	285,582			
	Investments				
	Receivables (net of allowance for uncollectibles)	949,452			
	Due from other governments				
	Due from other funds				
	Inventories	50,149			
	Prepays	13,758			
	Deferred charges				
	Restricted assets:				
	Temporarily restricted:				
	Cash or cash equivalents				
	Investments				
	Intergovernmental receivables				
Other					
Other					
TOTAL CURRENT ASSETS	\$ 1,298,941				

NON-CURRENT ASSETS	NON-CURRENT ASSETS:				
	Permanently restricted:				
	Investments				
	Capital assets not being depreciated:				
	Land				
	Construction in progress				
	Capital assets net of accumulated depreciation:				
	Buildings and system	1,371,285			
	Improvements other than buildings	10,250			
	Machinery and equipment	707,567			
Infrastructure					
Other					
Other					
TOTAL NON-CURRENT ASSETS	\$ 2,089,102	\$ -	\$ -	\$ -	

TOTAL ASSETS	\$ 3,388,043	\$ -	\$ -	\$ -
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	BUSINESS - TYPE ACTIVITIES - PROPRIETARY FUNDS			GOVERNMENTAL
				ACTIVITIES
	Major Bus. #5	Other Business Funds	Total Business Funds	Internal Service Fund
CURRENT ASSETS:				
Cash and cash equivalents			285,582	74,284
Investments				265,713
Receivables (net of allowance for uncollectibles)			949,452	
Due from other governments				
Due from other funds				
Inventories			50,149	
Prepays			13,758	
Deferred charges				
Restricted assets:				
Temporarily restricted:				
Cash or cash equivalents				
investments				
Intergovernmental receivables				
Other				
Other				
TOTAL CURRENT ASSETS			\$ 1,298,941	\$ 339,997

NON-CURRENT ASSETS:				
Permanently restricted:				
Investments				
Capital assets not being depreciated:				
Land				
Construction in progress				
Capital assets net of accumulated depreciation:				
Buildings and system			1,371,285	
Improvements other than buildings			10,250	
Machinery and equipment			707,567	
Infrastructure				
Other				
Other				
TOTAL NON-CURRENT ASSETS			\$ 2,089,102	\$ -

TOTAL ASSETS			\$ 3,388,043	\$ 339,997
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BUSINESS - TYPE ACTIVITIES - PROPRIETARY FUNDS

CURRENT LIABILITIES				
	Major Bus. #1	Major Bus. #2	Major Bus. #3	Major Bus. #4
CURRENT LIABILITIES:	Health Center			
Accounts payable	294,357			
Due to other governments				
Due to other funds	121,121			
Deferred revenue				
Non-current liabilities-due in less than 1 year				
Other current liabilities				
Other <u>Accrued Self-Insurance Claims</u>				
Other				
TOTAL CURRENT LIABILITIES	\$ 415,478	\$ -	\$ -	\$ -

NON-CURRENT LIABILITIES				
	Major Bus. #1	Major Bus. #2	Major Bus. #3	Major Bus. #4
NON-CURRENT LIABILITIES:				
Debt due in more than 1 year				
Other non-current liabilities				
Other <u>Accrued Compensated Absences</u>	658,588			
Other				
TOTAL NON-CURRENT LIABILITIES	\$ 658,588	\$ -	\$ -	\$ -

TOTAL LIABILITIES	\$ 1,074,066	\$ -	\$ -	\$ -
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NET ASSETS				
	Major Bus. #1	Major Bus. #2	Major Bus. #3	Major Bus. #4
NET ASSETS:				
Investment in capital assets, net of related debt	2,089,102			
Restricted				
Unrestricted	224,875			
TOTAL NET ASSETS	\$ 2,313,977	\$ -	\$ -	\$ -

TOTAL LIABILITIES AND NET ASSETS	\$ 3,388,043	\$ -	\$ -	\$ -
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CURRENT LIABILITIES	BUSINESS - TYPE ACTIVITIES - PROPRIETARY FUNDS			GOVERNMENTAL
	Major Bus. #5	Other	Total	ACTIVITIES
		Business	Business	Internal
		Funds	Funds	Service
				Fund
CURRENT LIABILITIES:				
Accounts payable			294,357	
Due to other governments				
Due to other funds			121,121	
Deferred revenue				
Non-current liabilities-due in less than 1 year				
Other current liabilities				
Other <u>Accrued Self-Insurance Claims</u>				413,141
Other				
TOTAL CURRENT LIABILITIES	\$ -	\$ -	\$ 415,478	\$ 413,141

NON-CURRENT LIABILITIES	NON-CURRENT LIABILITIES:				
	Debt due in more than 1 year				
	Other non-current liabilities				
	Other <u>Accrued Compensated Absences</u>			658,588	
	Other				
	TOTAL NON-CURRENT LIABILITIES	\$ -	\$ -	\$ 658,588	\$ -

TOTAL LIABILITIES	\$ -	\$ -	\$ 1,074,066	\$ 413,141
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NET ASSETS	NET ASSETS:				
	Investment in capital assets, net of related debt			2,089,162	
	Restricted				(73,144)
	Unrestricted			224,875	
	TOTAL NET ASSETS	\$ -	\$ -	\$ 2,313,977	\$ (73,144)

TOTAL LIABILITIES AND NET ASSETS	\$ -	\$ -	\$ 3,388,043	\$ 339,997
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds				
Changes in Net Assets of Business-type Activities			\$ -	

County of Armstrong
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS -
Proprietary Funds
For the Year Ended December 31, 2006

		BUSINESS - TYPE ACTIVITIES - PROPRIETARY FUNDS			
		Major # 1	Major # 2	Major # 3	Major # 4
		Health Center			
OPERATING REVENUES	OPERATING REVENUES:				
	Charges for service	6,394,488			
	Operating grants				
	Other				
	Other				
	TOTAL OPERATING REVENUES	\$ 6,394,488	\$ -	\$ -	\$ -

OPERATING EXPENSES	OPERATING EXPENSES:				
	Personnel services	4,719,175			
	Contracted Services	559,293			
	Supplies and materials	817,646			
	Repairs and maintenance	78,499			
	Utilities	262,863			
	Other services and charges	452,858			
	Depreciation and amortization	191,737			
	Other				
	Other				
TOTAL OPERATING EXPENSES	\$ 7,082,071	\$ -	\$ -	\$ -	

OPERATING INCOME	\$ (687,583)			
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NONOPERATING REVENUES/(EXPENSES)	NONOPERATING REVENUES/(EXPENSES):				
	Intergovernmental	418,110			
	Investment earnings	10,140			
	Interest expense				
	Gain/(loss) on sale of assets				
	Other Independent Living-purchase of minor equip	(167)			
	Other				
	TOTAL NONOPERATING REVENUES/(EXPENSES)	\$ 428,083	\$ -	\$ -	\$ -

OPERATING TRANSFER IN/(OUT)	250,000			
CHANGE IN NET ASSETS	\$ (9,500)			
NET ASSETS - BEGINNING OF YEAR	2,323,477			
PRIOR PERIOD ADJUSTMENT				
NET ASSETS - END OF YEAR	\$ 2,313,977			

OPERATING REVENUES	BUSINESS - TYPE ACTIVITIES - PROPRIETARY FUNDS			GOVERNMENTAL ACTIVITIES	
	Major # 5	Other Business Funds	Business Total	Internal Service Fund	
OPERATING REVENUES:					
Charges for service			6,394,488		29,500
Operating grants					
Other					
Other					
TOTAL OPERATING REVENUES	\$ -	\$ -	\$ 6,394,488	\$	29,500

OPERATING EXPENSES	OPERATING EXPENSES:				
	Personnel services			4,719,175	
	Contracted Services			559,293	
	Supplies and materials			817,646	
	Repairs and maintenance			78,499	
	Utilities			262,863	
	Other services and charges			452,858	63,648
	Depreciation and amortization			191,737	
	Other				
	Other				
TOTAL OPERATING EXPENSES	\$ -	\$ -	\$ 7,082,071	\$	63,648

OPERATING INCOME			\$ (687,583)	\$	(34,148)
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NONOPERATING REVENUES/(EXPENSES):	Intergovernmental			418,110		
	Investment earnings			10,140	13,759	
	Interest expense					
	Gain/(loss) on sale of assets				1,967	
	Other Independent Living-purchase of minor equip			(167)		
	Other					
	TOTAL NONOPERATING REVENUES/(EXPENSES)	\$ -	\$ -	\$ 428,083	\$	15,726

OPERATING TRANSFER IN/(OUT)			250,000		-
CHANGE IN NET ASSETS			\$ (9,500)	\$	(18,422)
NET ASSETS - BEGINNING OF YEAR			2,323,477		(54,722)
PRIOR PERIOD ADJUSTMENT			-		-
NET ASSETS - END OF YEAR			\$ 2,313,977	\$	(73,144)
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds					
Changes in Net Assets of Business-type Activities					

County of Armstrong
STATEMENT OF FIDUCIARY NET ASSETS
Fiduciary Funds
December 31, 2006

ASSETS		Fiduciary #1	Fiduciary #2	Fiduciary #3	Fiduciary #4	Fiduciary #5	Total
		Employee	Other				Fiduciary
		Retirement	Agency Funds				
	ASSETS:						
Cash and cash equivalents	9,453	701,040					710,493
Receivables	764,114						764,114
Investments, at fair value	44,265,305						44,265,305
Due from other funds							
Restricted assets:							
Temporarily restricted:							
Cash and cash equivalents							
Investments							
Intergovernmental receivable							
Permanently restricted:							
Investments							
Other							
Other							
Other							
TOTAL ASSETS:	\$ 45,038,872	\$ 701,040	\$ -	\$ -	\$ -	\$ -	\$ 45,739,912

LIABILITIES:							
Accounts payable and other current liabilities							-
Due to other funds							
Due to other governments		122,511					122,511
Other	Funds Held in Escrow	578,529					578,529
Other							
Other							
TOTAL LIABILITIES		\$ 701,040	\$ -	\$ -	\$ -	\$ -	\$ 701,040

NET ASSETS:							
Held for specific purpose	45,038,872						45,038,872
Unrestricted (deficit)							
Other							
Other							
TOTAL NET ASSETS	\$ 45,038,872	\$ -	\$ 45,038,872				

TOTAL LIABILITIES AND NET ASSETS	\$ 45,038,872	\$ 701,040	\$ -	\$ -	\$ -	\$ -	\$ 45,739,912
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County of Armstrong
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
Fiduciary Funds
December 31, 2006

ADDITIONS		Fiduciary #1	Fiduciary #2	Fiduciary #3	Fiduciary #4	Fiduciary #5	Total
		Employee					Fiduciary
		Retirement					
ADDITIONS:							
Contributions:							
Employer		635,782					635,782
Plan Members		622,211					622,211
Private donations		5,657					
Other- Reimburse overpayment		3,176					
Other							
TOTAL CONTRIBUTIONS		\$ 1,266,826	\$ -	\$ -	\$ -	\$ -	\$ 1,257,993
Investment Earnings:							
Interest		1,364,670					1,364,670
Net increase/decrease in the fair value of investments		2,705,340					2,705,340
Other Litigation revenues		595,000					
TOTAL INVESTMENT EARNINGS		\$ 4,665,010	\$ -	\$ -	\$ -	\$ -	\$ 4,070,010
Less investment expenses		(173,317)					(173,317)
TOTAL ADDITIONS		\$ 5,758,519	\$ -	\$ -	\$ -	\$ -	\$ 5,154,686

DEDUCTIONS		Fiduciary #1	Fiduciary #2	Fiduciary #3	Fiduciary #4	Fiduciary #5	Total
	DEDUCTIONS:						
	Benefits		1,634,204				
Administrative expenses		36,436					36,436
Other							
Other							
Other							
TOTAL DEDUCTIONS		\$ 1,670,640	\$ -	\$ -	\$ -	\$ -	\$ 1,670,640

CHANGE IN NET ASSETS	\$ 4,087,879						\$ 4,087,879
NET ASSETS - BEGINNING OF YEAR	40,950,993						40,950,993
PRIOR PERIOD ADJUSTMENT							
NET ASSETS - END OF YEAR	\$ 45,038,872						\$ 45,038,872

DEBT STATEMENT

GENERAL OBLIGATION	List Each Issue or Loan					
	General Obligation Bonds and Notes	Year of Issue	Original Amount of Issue	Outstanding January 1st or Issued During Year	Principal Paid During Year	Principal Outstanding December 31st
	Farmers Bank	1996	228,000	22,800	22,800	-
	First Commonwealth Trust	1998-A	3,595,000	1,855,000	905,000	950,000
	First Commonwealth Trust	1998-B	16,775,000	7,740,000	-	7,740,000
	First Commonwealth Trust	2001	27,320,000	26,540,000	10,000	26,530,000
	Northwest Savings Bank	2004	2,000,000	866,786	87,209	779,577

REVENUE	Revenue Bonds and Notes				

LEASE RENTAL	Lease Rental Debt of Authority				

TAX REVENUE ANTICIPATION	Tax and Revenue Anticipation Notes				
		Farmer's National Bank	2006	1,500,000	1,500,000

TOTAL DEBT AND REVENUE ANTICIPATION NOTES	\$ 35,999,577
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STATEMENT OF CAPITAL EXPENDITURES

GOVERNMENTAL - TYPE ACTIVITY	Capital Purchases	Capital Construction	Total
General government - administrative	1,011,037		1,011,037
General government - judicial	93,961		93,961
Public safety			-
Police			-
Fire			-
Corrections	18,146		18,146
Emergency services			-
Other			-
Public works			-
Highways and streets		47,306	47,306
Sanitation			-
Other			-
Health and welfare	22,781	8,397	31,178
Culture - recreation			-
Conservation			-
Community/urban redevelopment & housing			-
Economic development and assistance			-
Economic opportunity			-
BUSINESS - TYPE ACTIVITY			
Major Bus. Type 1	28,012	61,020	89,032
Major Bus. Type 2			
Major Bus. Type 3			
Major Bus. Type 4			
Major Bus. Type 5			
Other Business Type			
Airport (if not listed above)			
Parking facility (if not listed above)			
Transportation system (if not listed above)			
Other			
Other			
TOTAL CAPITAL EXPENDITURES	\$ 1,173,937	\$ 116,723	\$ 1,290,660

TAX RATES & EMPLOYEE COMPENSATION	
TAX RATES:	
General Purposes	12.25 mills
Debt Purposes	3.25 mills
All Other Purposes	mills
TOTAL	15.5 mills
EMPLOYEE COMPENSATION:	
Total salaries, wages, commissions, etc. paid this year (including all employees and elected officials)...	\$ 11,895,496

ELECTED CONTROLLER'S / AUDITOR'S CERTIFIED OPINION

To the: Governing Body of the County
 President Judge of the Court of Common Pleas
 Secretary of the Department of Community and Economic Development

I / We,*the undersigned, the duly elected (or appointed replacement) and acting Controller/Auditors* of the County of Armstrong have audited, adjusted, and settled the accounts of the County of Armstrong for the year ended December 31, 2006. My / Our* audit, adjustment, and settlement was made in accordance with Act 103 of 2002 rather than with U.S. generally accepted auditing standards.

The County has prepared these financial statements on basis of accounting consistent with U.S. generally accepted accounting principles; consisting of the accrual basis for the government-wide, proprietary fund and fiduciary fund financial statements and the modified accrual basis for the governmental fund financial statements.

Due to the absence of notes and other disclosures required by U.S. generally accepted accounting principles, these financial statements are not intended to be a complete presentation in accordance with U.S. generally accepted accounting principles.

In my / our* opinion, these financial statements accurately reflect the results of operations and the financial position of the County of Armstrong for the year ended December 31, 2006.

SIGNATURE AND VERIFICATION

Signed: Myra L. Miller

Controller / Auditor*

Subscribed and sworn to before me this 31st day of July, 2007.

Prothonotary and Clerk of Courts
Armstrong County, Penna.

Signed: Charles A. Smith Deputy
Witness (Controller)/Auditor (Auditors)

(SEAL)

MY COMM. EXPIRES 1ST
MON. JAN. 2008

Counties are encouraged to have financial statement audits performed in accordance with U.S. generally accepted auditing standards or the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Controllers may submit opinions resulting from such audits in lieu of this page.

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