

SIXTIETH ANNUAL REPORT

of the

CONTROLLER

of

Armstrong County

MYRA L. MILLER
County Controller

AMANDA C. HILES
First Deputy Controller
Chief Accountant/Auditor

TAMMIE L. GAFF
Second Deputy Controller
A/P Supervisor

STAFF:

CHERRIO L. MILLER
SHARON L. COGLEY
SUE E. BURK

SIXTIETH ANNUAL REPORT OF ARMSTRONG COUNTY
TO THE TAXPAYERS OF ARMSTRONG COUNTY

This, the Sixtieth 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.

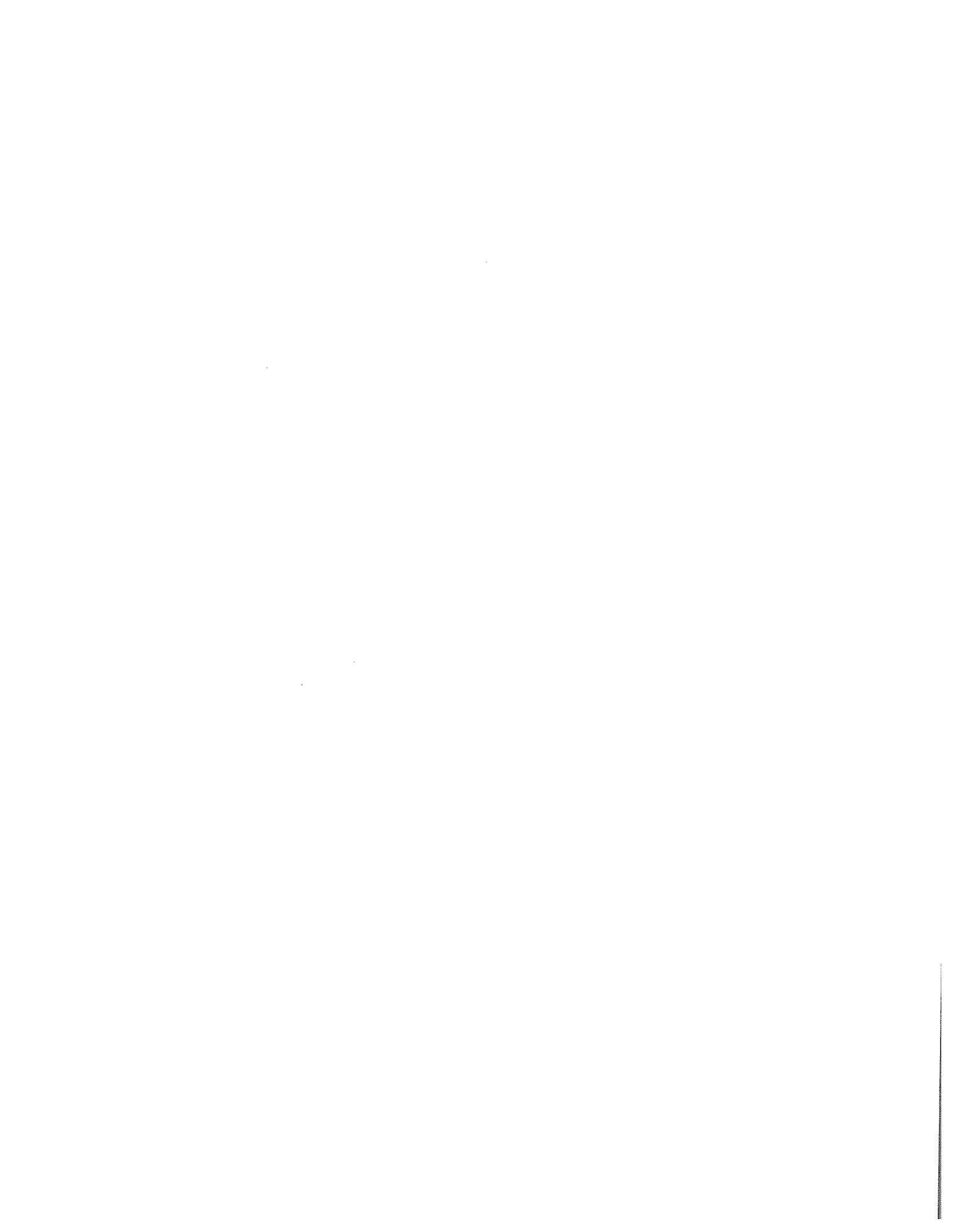
This report has been prepared for the information benefit of the taxpayer and is presented here in summary form. The amounts listed herein are supported by detailed statements of receipts and expenditures and are available to the general public during the course of the normal business day.

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



Honorable Kenneth Valasek
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, 2007 to December 31, 2007.

Respectfully,

Myra L. Miller
County Controller

Now, June 26, 2008, the within report
made in open court and same is ordered file.


Honorable Kenneth Valasek

Armstrong County Officials - As of 12/31/07

- **JUDICIARY**

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

- **COMMISSIONERS**

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

- **CONTROLLER**

Myra L. Miller

- **TREASURER**

Sonie Mervis

- **RECORDER OF DEEDS**

Marianne Hileman

- **PROTHONOTARY**

Brenda C. George

- **SHERIFF**

Larry R. Crawford

- **CORONER**

Robert Bower

- **JURY COMMISSIONERS**

Patricia G. Fiorina
Karen J. Schrecengost

**2007 COUNTY ANNUAL
FINANCIAL REPORT**

County of Armstrong

County of Armstrong
GOVERNMENT-WIDE STATEMENT OF NET ASSETS
December 31, 2007

PRIMARY GOVERNMENT				
CURRENT ASSETS	CURRENT ASSETS:	GOVERNMENTAL	BUSINESS-TYPE	
		ACTIVITIES	ACTIVITIES	TOTAL
	Cash and cash equivalents	10,632,700	119,146	10,751,846
Investments	1,366,199	-	1,366,199	
Receivables (net allowance for uncollectibles)	2,526,914	1,165,129	3,692,043	
Due from other governments	841,134	-	841,134	
Internal balances	98,120	(98,120)	-	
Inventories	13,730	50,290	64,020	
Prepays	38,090	15,859	53,949	
Deferred charges	-	-	-	
Restricted assets:				
Temporarily restricted:				
Cash and cash equivalents	-	-	-	
Investments	-	-	-	
Intergovernmental receivable	-	-	-	

NON-CURRENT ASSETS	NON-CURRENT ASSETS:			
	Permanently restricted:			
	Investments	224,426	-	224,426
Capital assets not being depreciated:				
Land	747,040	-	747,040	
Construction in progress	238,055	-	238,055	
Capital assets net of accumulated depreciation:				
Buildings and system	17,006,731	1,369,315	18,376,046	
Improvements other than buildings	440,663	13,998	454,661	
Machinery and equipment	2,598,551	768,263	3,366,814	
Infrastructure	6,071,885	-	6,071,885	
Other	-	-	-	
Other	-	-	-	

TOTAL ASSETS	\$ 42,844,238	\$ 3,403,880	\$ 46,248,118
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PRIMARY GOVERNMENT				
LIABILITIES	LIABILITIES:	GOVERNMENTAL	BUSINESS-TYPE	
		ACTIVITIES	ACTIVITIES	TOTAL
	Accounts payable	1,975,955	277,208	2,253,163
Due to other governments	-	-	-	
Deferred Revenue	313,193	-	313,193	
Funds held as fiduciary	145,625	-	145,625	
Other current liabilities	-	-	-	
Noncurrent liabilities:				
Debt due within one year	860,408	-	860,408	
Debt due in more than one year	34,472,951	-	34,472,951	
Other non-current liabilities	-	-	-	
Other <u>Accrued Compensated Absences</u>	706,259	352,951	1,059,211	
Other <u>Accrued Self-Ins Workers Comp Claims</u>	282,398	-	282,398	
TOTAL LIABILITIES	\$ 38,756,789	\$ 630,159	\$ 39,386,948	

NET ASSETS	NET ASSETS:			
	Investment in capital assets, net of related debt	(4,609,043)	2,151,576	(2,457,467)
Restricted	460,698	-	460,698	
Unrestricted	8,235,794	622,145	8,857,938	
TOTAL NET ASSETS	\$ 4,087,448	\$ 2,773,721	\$ 6,861,170	

County of Armstrong
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
 December 31, 2007

GOVERNMENTAL ACTIVITIES	FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSES) REVENUES & CHANGES IN NET ASSETS			
		PRIMARY/GOVERNMENT:	Charges for Expenses	Services	Operating Grants and Contribution	Capital Grants and Contributions	PRIMARY GOVERNMENT		
							Governmental Activities	Business-type Activities	Total
	Governmental Activities:								
	General government - administrative	6,440,078	1,942,280	443,225	2,384,450	(1,670,123)		(1,670,123)	
	General government - judicial	4,792,911	1,912,905	880,896	-	(1,999,110)		(1,999,110)	
	Public safety	6,547,255	1,218,876	1,483,177	-	(3,845,202)		(3,845,202)	
	Highways and streets	443,925	-	501,785	-	57,860		57,860	
	Sanitation	45,955	12,412	-	-	(33,543)		(33,543)	
	Health and welfare	20,662,948	469,552	19,382,104	-	(811,292)		(811,292)	
	Culture-recreation	842,533	483,695	32,230	-	(326,608)		(326,608)	
	Conservation	367,213	6,674	5,578	-	(354,961)		(354,961)	
	Community/urban redevelopment & housing	1,550,717	71,620	1,428,133	-	(50,964)		(50,964)	
	Economic development & assistance	214,764	528	-	-	(214,236)		(214,236)	
	Economic opportunity	4,610,586	-	4,614,153	-	3,567		3,567	
	Interest on long term debt	1,693,662	-	-	-	(1,693,662)		(1,693,662)	
	Unallocated depreciation	-	-	-	-				
	Other	-	-	-	-				
	Other	-	-	-	-				
	TOTAL GOVERNMENTAL ACTIVITIES	\$ 48,212,549	\$ 6,118,542	\$ 28,771,281	\$ 2,384,450	\$ (10,938,274)	\$ -	\$ (10,938,274)	

BUSINESS-TYPE ACTIVITIES	Major Business Type Activities:								
	1	2	3	4	5	6	7	8	9
	Health Center	7,409,045	6,808,701	191,560	-			(408,784)	(408,784)
	Other Business Type								
	TOTAL BUSINESS-TYPE ACTIVITIES	\$ 7,409,045	\$ 6,808,701	\$ 191,560	\$ -	\$ -	\$ -	\$ (408,784)	\$ (408,784)

TOTAL PRIMARY GOVERNMENTS	\$ 55,621,593	\$ 12,927,243	\$ 28,962,841	\$ 2,384,450	\$ (10,938,274)	\$ (408,784)	\$ (11,347,058)
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NET (EXPENSES) REVENUES & CHANGES IN NET ASSETS

PRIMARY GOVERNMENT

	PRIMARY GOVERNMENT		
	Governmental	Business-type	Total
	Activities	Activites	
TOTAL PRIMARY GOVERNMENTS	\$ (10,938,274)	\$ (408,784)	\$ (11,347,057)

GENERAL REVENUES:

GENERAL REVENUES AND TRANSFERS

Taxes:			
Real Estate	13,683,453	-	13,683,453
Per Capita	270,579	-	270,579
Sales	-	-	-
Other <u>Hotel Room Rental Tax</u>	46,518	-	46,518
Other	-	-	-
Licenses and permits	37,461	-	37,461
Grant and contributions not restricted	-	-	-
Unrestricted investment earnings	604,133	9,940	614,073
Other <u>Rent</u>	142,557	-	142,557
Other <u>Transfers</u>	(200,000)	200,000	-
Other	-	-	-
Other	-	-	-
Transfers	-	-	-
TOTAL GENERAL REVENUES AND TRANSFERS	\$ 14,584,700	\$ 209,940	\$ 14,794,640

CHANGE IN NET ASSETS	\$ 3,646,427	\$ (198,844)	\$ 3,447,583
NET ASSETS - BEGINNING OF YEAR	485,528	2,313,977	2,799,505
PRIOR PERIOD ADJUSTMENT	(44,507)	658,588	614,081
NET ASSETS - END OF YEAR	\$ 4,087,448	\$ 2,773,721	\$ 6,861,169

County of Armstrong
BALANCE SHEET - GOVERNMENT FUNDS
(Including the Reconciliation of Total Governmental Fund Balance to Net Assets of Governmental Units)
December 31, 2007

ASSETS	ASSETS:	General	Major # 1		Major # 2	Major # 3
			Area Agency on		Children & Youth	Health Choices
			General	Aging		
Cash and cash equivalents		3,119,154	1,152,488	989,428	668	
Investments		-	-	-	-	
Receivables (net of allowance for uncollectibles)		2,086,311	503	15,945	-	
Due from other funds		1,335,624	-	121,950	-	
Due from other governments		340,799	134,517	164,937	-	
Inventories		6,428	-	-	-	
Prepays		30,640	7,180	270	-	
Deferred charges		-	-	-	-	
Restricted assets:						
Temporarily restricted:						
Cash and cash equivalents		-	-	-	-	
Investments		-	-	-	-	
Intergovernmental receivable		-	-	-	-	
Permanently restricted:						
Investments		-	-	-	-	
Other		-	-	-	-	
Other		-	-	-	-	
TOTAL ASSETS		\$ 6,918,956	\$ 1,294,688	\$ 1,292,530	\$ 668	

LIABILITIES	LIABILITIES:				
		General	Major # 1	Major # 2	Major # 3
Accounts Payable		967,905	175,531	372,225	-
Due to other governments		-	-	-	-
Due to other funds		589,155	104	913,600	-
Deferred revenue		1,084,062	210,074	-	-
Other Funds Held in Escrow		138,195	-	6,705	-
Other		-	-	-	-
TOTAL LIABILITIES		\$ 2,779,317	\$ 385,709	\$ 1,292,530	\$ -

FUND BALANCE	FUND BALANCE:				
		General	Major # 1	Major # 2	Major # 3
Fund Balance, reserved		496,104	-	-	-
Fund Balance, unreserved		3,643,535	908,979	-	668
TOTAL FUND BALANCE		\$ 4,139,639	\$ 908,979	\$ -	\$ 668

TOTAL LIABILITIES & FUND BALANCE		\$ 6,918,955	\$ 1,294,688	\$ 1,292,530	\$ 668
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	Major # 4	Major # 5	Other	Total
	Debt Service	Capital	Governmental Funds	Governmental Funds
ASSETS:				
Cash and cash equivalents	44,763	2,436,729	2,866,904	10,610,134
Investments	-	-	1,366,199	1,366,199
Receivables (net of allowance for uncollectibles)	331,884	-	92,271	2,526,914
Due from other funds	67,204	400,000	-	1,924,778
Due from other governments	-	-	200,881	841,134
Inventories	-	-	7,301	13,729
Prepays	-	-	-	38,090
Deferred charges	-	-	-	-
Restricted assets:				
Temporarily restricted:				
Cash and cash equivalents	-	-	-	-
Investments	-	-	-	-
Intergovernmental receivable	-	-	-	-
Permanently restricted:				
Investments	-	-	-	-
Other	-	-	-	-
Other	-	-	-	-
TOTAL ASSETS	\$ 443,851	\$ 2,836,729	\$ 4,533,556	\$ 17,320,978

LIABILITIES:				
Accounts Payable	-	9,876	450,418	1,975,955
Due to other governments	-	-	-	-
Due to other funds	-	-	323,798	1,826,657
Deferred revenue	161,003	-	153,119	1,608,258
Other Funds Held in Escrow	-	-	725	145,625
Other	-	-	-	-
TOTAL LIABILITIES	\$ 161,003	\$ 9,876	\$ 928,060	\$ 5,556,495

FUND BALANCE:				
Fund Balance, reserved	-	-	-	496,104
Fund Balance, unreserved	282,848	2,826,853	3,605,496	11,268,379
TOTAL FUND BALANCE	\$ 282,848	\$ 2,826,853	\$ 3,605,496	\$ 11,764,483

TOTAL LIABILITIES & FUND BALANCE	\$ 443,851	\$ 2,836,729	\$ 4,533,556	\$ 17,320,978
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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 charge 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	(35,406)
Long-term liabilities, are not due and payable in the current period and therefore are not reported as a fund liability		(36,039,618)
The difference in net assets between full accrual accounting and modified accrual accounting due to differing revenue recognition criteria between the two methods		1,295,065
Capital assets used in government activities are not financial resources and, therefore, are not reported in the funds.....		27,102,925
Other		-
Other		-
NET ASSETS OF GOVERNMENTAL ACTIVITIES		\$ 4,087,448

County of Armstrong
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2007

REVENUES				
		Major # 1	Major # 2	Major # 3
		Area Agency on		
Taxes:	General	Aging	Children & Youth	Health Choices
Real estate taxes	10,995,048			
Per capita taxes	268,799			
Personal property taxes				
Hotel room rental taxes				
Sales taxes				
Other				
Other				
TOTAL TAXES	\$ 11,263,847	\$ -	\$ -	\$ -
Intergovernmental Revenues:				
Federal	101,275	794,538	1,238,794	
State	1,546,574	2,047,616	2,075,426	
Local government units				
Combination				12,823,214
TOTAL INTERGOVERNMENTAL REVENUES	\$ 1,647,849	\$ 2,842,154	\$ 3,314,220	\$ 12,823,214
Charges for Service	4,271,609	178,809	271,619	
Miscellaneous Revenues:				
Interest earnings	378,278	31,186	21,679	2,868
Rents	99,833			
Private contributions and donations				
Other Licenses/Permits	37,461			
Other				
TOTAL MISCELLANEOUS REVENUES	\$ 515,572	\$ 31,186	\$ 21,679	\$ 2,868
TOTAL REVENUES:	\$ 17,898,877	\$ 3,052,149	\$ 3,607,518	\$ 12,826,082

REVENUES

REVENUES:	Major # 4	Major # 5	Other	Governmental
	Debt Service	Capital	Funds	Total
Taxes:				
Real estate taxes	2,712,994	-	-	13,708,042
Per capita taxes	-	-	-	268,799
Personal property taxes	-	-	-	-
Hotel room rental taxes	-	-	46,518	46,518
Sales taxes	-	-	-	-
Other	-	-	-	-
Other	-	-	-	-
TOTAL TAXES	\$ 2,712,994	\$ -	\$ 46,518	\$ 14,023,359

Intergovernmental Revenues:

Federal	-	-	1,865,398	4,000,005
State	-	-	2,446,777	8,116,393
Local government units	-	-	246	246
Combination	-	-	3,831,423	16,654,637
TOTAL INTERGOVERNMENTAL REVENUES	\$ -	\$ -	\$ 8,143,844	\$ 28,771,281

Charges for Service

	-	34,634	1,362,500	6,119,171
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Miscellaneous Revenues:

Interest earnings	1,768	7,462	145,323	588,564
Rents	42,724	-	-	142,557
Private contributions and donations	-	-	-	-
Other Licenses/Permits	-	-	-	37,461
Other Guaranteed Energy Proceeds	-	2,384,450	-	2,384,450
TOTAL MISCELLANEOUS REVENUES	\$ 44,492	\$ 2,391,912	\$ 145,323	\$ 3,153,032

TOTAL REVENUES:

\$ 2,757,486	\$ 2,426,546	\$ 9,698,185	\$ 52,066,843
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EXPENDITURES

EXPENDITURES:

	Area Agency on			
	Major # 1	Major # 2	Major # 3	
	General	Aging	Children & Youth	Health Choices
General government	9,545,392	-	-	-
Public Safety	4,203,878	-	-	-
Highways and streets	-	-	-	-
Sanitation	48,854	-	-	-
Health and welfare	644,190	3,083,361	4,015,761	12,825,824
Culture - recreation	9,011	-	-	-
Conservation	367,213	-	-	-
Community/urban redevelopment and housing	-	-	-	-
Economic development and assistance	157,424	-	-	-
Economic opportunity	-	-	-	-
Debt service	48,329	-	-	-
Capital outlay	417,128	-	39,425	-
Other	-	-	-	-
Other	-	-	-	-
TOTAL EXPENDITURES	\$ 15,441,419	\$ 3,083,361	\$ 4,055,186	\$ 12,825,824

EXPENDITURES

OTHER FINANCING SOURCES/(USES):

Interfund operating transfers	(1,592,318)	-	447,668	-
Sale of capital assets	-	-	-	-
Proceeds from long-term debt	-	-	-	-
Refund of bonds	-	-	-	-
Other	-	-	-	-
Other	-	-	-	-
TOTAL OTHER FINANCING SOURCES/(USES)	\$ (1,592,318)	\$ -	\$ 447,668	\$ -

CHANGE IN FUND BALANCE

\$ 665,140	\$ (31,212)	\$ -	\$ 258
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FUND BALANCE - BEGINNING OF YEAR

3,474,499	940,191	-	410
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PRIOR PERIOD ADJUSTMENT

-	-	-	-
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FUND BALANCE - END OF YEAR

\$ 4,139,639	\$ 908,979	\$ -	\$ 668
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EXPENDITURES

EXPENDITURES:	Major # 4	Major # 5	Other	
			Governmental	Governmental
	Debt Service	Capital	Funds	Total
General government	-	298,062	797,930	10,641,384
Public Safety	-	104,879	1,658,809	5,967,566
Highways and streets	-	-	203,928	203,928
Sanitation	-	-	-	48,854
Health and welfare	-	13,362	-	20,582,498
Culture - recreation	-	-	745,554	754,565
Conservation	-	-	-	367,213
Community/urban redevelopment and housing	-	-	1,550,717	1,550,717
Economic development and assistance	-	-	57,191	214,616
Economic opportunity	-	-	4,610,586	4,610,586
Debt service	2,700,828	-	-	2,749,157
Capital outlay	-	-	243,708	700,261
Other	-	-	-	-
Other	-	-	-	-
TOTAL EXPENDITURES	\$ 2,700,828	\$ 416,303	\$ 9,868,423	\$ 48,391,344

EXPENDITURES

OTHER FINANCING SOURCES/(USES):				
Interfund operating transfers	-	400,000	544,650	(200,000)
Sale of capital assets	-	-	-	-
Proceeds from long-term debt	-	-	-	-
Refund of bonds	-	-	-	-
Other	-	-	-	-
Other	-	-	-	-
TOTAL OTHER FINANCING SOURCES/(USES)	\$ -	\$ 400,000	\$ 544,650	\$ (200,000)

CHANGE IN FUND BALANCE	\$ 56,658	\$ 2,410,243	\$ 374,412	\$ 3,475,499
FUND BALANCE - BEGINNING OF YEAR	226,190	416,610	3,231,084	8,288,984
PRIOR PERIOD ADJUSTMENT	-	-	-	-
FUND BALANCE - END OF YEAR	\$ 282,848	\$ 2,826,853	\$ 3,605,496	\$ 11,764,483

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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, 2007

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

Net changes in fund balance - total governmental funds	3,476,498
The net revenue of certain activities of the internal services fund is reported with governmental activities	(93,005)
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.	1,058,639
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	(22,809)
The net effect of various transactions involving capital assets, (i.e. purchases, disposals, etc.) is to increase net assets	(771,897)
Other	-
Other	-
Other	-
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$ 3,646,426

County of Armstrong
STATEMENT OF NET ASSETS FUNDS
Proprietary Funds
December 31, 2007

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	119,146	-	-	-
Investments	-	-	-	-
Receivables (net of allowance for uncollectibles)	1,165,129	-	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Inventories	50,290	-	-	-
Prepays	15,859	-	-	-
Deferred charges	-	-	-	-
Restricted assets:				
Temporarily restricted:				
Cash or cash equivalents	-	-	-	-
Investments	-	-	-	-
Intergovernmental receivables	-	-	-	-
Other	-	-	-	-
Other	-	-	-	-
TOTAL CURRENT ASSETS	\$ 1,350,424	\$ -	\$ -	\$ -

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	1,369,315	-	-	-
Improvements other than buildings	13,998	-	-	-
Machinery and equipment	768,263	-	-	-
Infrastructure	-	-	-	-
Other	-	-	-	-
Other	-	-	-	-
TOTAL NON-CURRENT ASSETS	\$ 2,151,576	\$ -	\$ -	\$ -

TOTAL ASSETS	\$ 3,502,000	\$ -	\$ -	\$ -
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	BUSINESS - TYPE ACTIVITIES - PROPRIETARY FUNDS			GOVERNMENTAL
	Major Bus. #5	Other	Total	ACTIVITIES
		Business	Business	Internal
		Funds	Funds	Service
				Fund
CURRENT ASSETS:				
Cash and cash equivalents	-	-	119,146	22,566
Investments	-	-	-	224,427
Receivables (net of allowance for uncollectibles)	-	-	1,165,129	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Inventories	-	-	50,290	-
Prepays	-	-	15,859	-
Deferred charges	-	-	-	-
Restricted assets:				
Temporarily restricted:				
Cash or cash equivalents	-	-	-	-
Investments	-	-	-	-
Intergovernmental receivables	-	-	-	-
Other	-	-	-	-
Other	-	-	-	-
TOTAL CURRENT ASSETS	-	-	\$ 1,350,424	\$ 246,992

NON-CURRENT ASSETS:				
Permanently restricted:				
Investments	-	-	-	-
Capital assets not being depreciated:				
Land	-	-	-	-
Construction in progress	-	-	-	-
Capital assets net of accumulated depreciation:				
Buildings and system	-	-	1,369,315	-
Improvements other than buildings	-	-	13,998	-
Machinery and equipment	-	-	768,263	-
Infrastructure	-	-	-	-
Other	-	-	-	-
Other	-	-	-	-
TOTAL NON-CURRENT ASSETS	\$ -	\$ -	\$ 2,151,576	\$ -

TOTAL ASSETS	\$ -	\$ -	\$ 3,502,000	\$ 246,992
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BUSINESS - TYPE ACTIVITIES - PROPRIETARY FUNDS

CURRENT LIABILITIES	Major Bus. #1	Major Bus. #2	Major Bus. #3	Major Bus. #4
	Health Center			
CURRENT LIABILITIES:				
Accounts payable	277,208	-	-	-
Due to other governments	-	-	-	-
Due to other funds	98,120	-	-	-
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	\$ 375,328	\$ -	\$ -	\$ -

NON-CURRENT LIABILITIES:				
Debt due in more than 1 year	-	-	-	-
Other non-current liabilities	-	-	-	-
Other <u>Accrued Compensated Absences</u>	352,951	-	-	-
Other	-	-	-	-
TOTAL NON-CURRENT LIABILITIES	\$ 352,951	\$ -	\$ -	\$ -

TOTAL LIABILITIES	\$ 728,279	\$ -	\$ -	\$ -
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NET ASSETS:				
Investment in capital assets, net of related debt	2,151,576	-	-	-
Restricted	-	-	-	-
Unrestricted	622,145	-	-	-
TOTAL NET ASSETS	\$ 2,773,721	\$ -	\$ -	\$ -

TOTAL LIABILITIES AND NET ASSETS	\$ 3,502,000	\$ -	\$ -	\$ -
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CURRENT LIABILITIES	BUSINESS - TYPE ACTIVITIES - PROPRIETARY FUNDS			GOVERNMENTAL
	Major Bus. #5	Other	Total	Internal
		Business	Business	Service
	Funds	Funds	Fund	
CURRENT LIABILITIES:				
Accounts payable	-	-	277,208	-
Due to other governments	-	-	-	-
Due to other funds	-	-	98,120	-
Deferred revenue	-	-	-	-
Non-current liabilities-due in less than 1 year	-	-	-	-
Other current liabilities	-	-	-	-
Other <u>Accrued Self-Insurance Claims</u>	-	-	-	282,398
Other	-	-	-	-
TOTAL CURRENT LIABILITIES	\$ -	\$ -	\$ 375,328	\$ 282,398

NON-CURRENT LIABILITIES	NON-CURRENT LIABILITIES:			
	Debt due in more than 1 year	-	-	-
Other non-current liabilities	-	-	-	-
Other <u>Accrued Compensated Absences</u>	-	-	352,951	-
Other	-	-	-	-
TOTAL NON-CURRENT LIABILITIES	\$ -	\$ -	\$ 352,951	\$ -

TOTAL LIABILITIES	\$ -	\$ -	\$ 728,279	\$ 282,398
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NET ASSETS	NET ASSETS:			
	Investment in capital assets, net of related debt	-	-	2,151,578
Restricted	-	-	-	(35,406)
Unrestricted	-	-	622,145	-
TOTAL NET ASSETS	\$ -	\$ -	\$ 2,773,721	\$ (35,406)

TOTAL LIABILITIES AND NET ASSETS	\$ -	\$ -	\$ 3,502,000	\$ 246,992
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds				-
Changes in Net Assets of Business-type Activities			\$ 2,773,721	

County of Armstrong
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS -
Proprietary Funds
For the Year Ended December 31, 2007

BUSINESS - TYPE ACTIVITIES - PROPRIETARY FUNDS				
OPERATING REVENUES	Major # 1	Major # 2	Major # 3	Major # 4
	Health Center			
OPERATING REVENUES:				
Charges for service	6,808,701	-	-	-
Operating grants	-	-	-	-
Other	-	-	-	-
Other	-	-	-	-
TOTAL OPERATING REVENUES	\$ 6,808,701	\$ -	\$ -	\$ -

OPERATING EXPENSES	OPERATING EXPENSES:				
	Personnel services	4,895,903	-	-	-
	Contracted Services	637,511	-	-	-
	Supplies and materials	924,352	-	-	-
	Repairs and maintenance	92,042	-	-	-
	Utilities	262,013	-	-	-
	Other services and charges	399,835	-	-	-
	Depreciation and amortization	197,072	-	-	-
	Other	-	-	-	-
	Other	-	-	-	-
TOTAL OPERATING EXPENSES	\$ 7,408,728	\$ -	\$ -	\$ -	

OPERATING INCOME	\$ (600,027)	-	-	-
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NONOPERATING REVENUES/(EXPENSES)	NONOPERATING REVENUES/(EXPENSES):				
	Intergovernmental	165,205	-	-	-
	Investment earnings	9,940	-	-	-
	Interest expense	-	-	-	-
	Gain/(loss) on sale of assets	-	-	-	-
	Other Independent Living-purchase of minor equip	(317)	-	-	-
	Other-Donations	26,355	-	-	-
TOTAL NONOPERATING REVENUES/(EXPENSES)	\$ 201,183	\$ -	\$ -	\$ -	

OPERATING TRANSFER IN/(OUT)	200,000	-	-	-
CHANGE IN NET ASSETS	\$ (198,844)	-	-	-
NET ASSETS - BEGINNING OF YEAR	2,313,977	-	-	-
PRIOR PERIOD ADJUSTMENT	658,588	-	-	-
NET ASSETS - END OF YEAR	\$ 2,773,721	-	-	-

OPERATING REVENUES	BUSINESS - TYPE ACTIVITIES - PROPRIETARY FUNDS			GOVERNMENTAL ACTIVITIES
	Major # 5	Other Business Funds	Business Total	Internal Service Fund
OPERATING REVENUES:				
Charges for service	-	-	6,808,701	-
Operating grants	-	-	-	-
Other	-	-	-	-
Other	-	-	-	-
TOTAL OPERATING REVENUES	\$ -	\$ -	\$ 6,808,701	\$ -

OPERATING EXPENSES	OPERATING EXPENSES:				
	Personnel services	-	-	4,895,903	-
	Contracted Services	-	-	637,511	-
	Supplies and materials	-	-	924,352	-
	Repairs and maintenance	-	-	92,042	-
	Utilities	-	-	262,013	-
	Other services and charges	-	-	399,835	108,574
	Depreciation and amortization	-	-	197,072	-
	Other	-	-	-	-
	Other	-	-	-	-
TOTAL OPERATING EXPENSES	\$ -	\$ -	\$ 7,408,728	\$ 108,574	

OPERATING INCOME	-	-	\$ (600,027)	\$ (108,574)
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NONOPERATING REVENUES/(EXPENSES):	NONOPERATING REVENUES/(EXPENSES):				
	Intergovernmental	-	-	165,206	-
	Investment earnings	-	-	9,940	13,637
	Interest expense	-	-	-	-
	Gain/(loss) on sale of assets	-	-	-	1,932
	Other Independent Living-purchase of minor equip	-	-	(317)	-
	Other	-	-	26,355	-
TOTAL NONOPERATING REVENUES/(EXPENSES)	\$ -	\$ -	\$ 201,183	\$ 15,569	

OPERATING TRANSFER IN/(OUT)	-	-	200,000	-
CHANGE IN NET ASSETS	-	-	\$ (198,844)	\$ (93,005)
NET ASSETS - BEGINNING OF YEAR	-	-	2,313,977	(73,144)
PRIOR PERIOD ADJUSTMENT	-	-	658,588	130,743
NET ASSETS - END OF YEAR	-	-	\$ 2,773,721	\$ (35,406)
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds			-	
Changes in Net Assets of Business-type Activities			\$ (198,844)	

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
	ASSETS:	Retirement	Agency Funds				
Cash and cash equivalents		983,615	1,414,956	-	-	-	2,398,571
Receivables		207,301	-	-	-	-	207,301
Investments, at fair value		45,705,231	-	-	-	-	45,705,231
Due from other funds		-	-	-	-	-	-
Restricted assets:							
Temporarily restricted:							
Cash and cash equivalents		-	-	-	-	-	-
Investments		-	-	-	-	-	-
Intergovernmental receivable		-	-	-	-	-	-
Permanently restricted:							
Investments		-	-	-	-	-	-
Other		-	-	-	-	-	-
Other		-	-	-	-	-	-
Other		-	-	-	-	-	-
TOTAL ASSETS:		\$ 46,896,147	\$ 1,414,956	\$ -	\$ -	\$ -	\$ 48,311,103

LIABILITIES:							
Accounts payable and other current liabilities		-	744,752	-	-	-	744,752
Due to other funds		-	-	-	-	-	-
Due to other governments		-	105,829	-	-	-	105,829
Other	Funds Held in Escrow	-	564,375	-	-	-	564,375
Other		-	-	-	-	-	-
Other		-	-	-	-	-	-
TOTAL LIABILITIES		\$ -	\$ 1,414,956	\$ -	\$ -	\$ -	\$ 1,414,956

NET ASSETS:							
Held for specific purpose		46,896,147	-	-	-	-	46,896,147
Unrestricted (deficit)		-	-	-	-	-	-
Other		-	-	-	-	-	-
Other		-	-	-	-	-	-
TOTAL NET ASSETS		\$ 46,896,147	\$ -	\$ -	\$ -	\$ -	\$ 46,896,147

TOTAL LIABILITIES AND NET ASSETS		\$ 46,896,147	\$ 1,414,956	\$ -	\$ -	\$ -	\$ 48,311,103
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County of Armstrong
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
Fiduciary Funds
December 31, 2007

	Fiduciary #1	Fiduciary #2	Fiduciary #3	Fiduciary #4	Fiduciary #5	Total
	Employee					Total Fiduciary
	Retirement					
ADDITIONS:						
Contributions:						
Employer	668,790	-	-	-	-	668,790
Plan Members	652,047	-	-	-	-	652,047
Private donations	-	-	-	-	-	-
Other- Reimburse overpayment	-	-	-	-	-	-
Other	-	-	-	-	-	-
TOTAL CONTRIBUTIONS	\$ 1,320,837	\$ -	\$ -	\$ -	\$ -	\$ 1,320,837
Investment Earnings:						
Interest	1,583,476	-	-	-	-	1,583,476
Net increase/decrease in the fair value of investments	6,941,975	-	-	-	-	6,941,975
Other Litigation revenues	4,044	-	-	-	-	4,044
TOTAL INVESTMENT EARNINGS	\$ 8,529,495	\$ -	\$ -	\$ -	\$ -	\$ 8,529,495
Less investment expenses	(178,951)	-	-	-	-	(178,951)
TOTAL ADDITIONS	\$ 9,671,381	\$ -	\$ -	\$ -	\$ -	\$ 9,671,381

DEDUCTIONS:						
Benefits	1,930,904	-	-	-	-	1,930,904
Administrative expenses	47,375	-	-	-	-	47,375
Other	-	-	-	-	-	-
Other	-	-	-	-	-	-
Other	-	-	-	-	-	-
TOTAL DEDUCTIONS	\$ 1,978,279	\$ -	\$ -	\$ -	\$ -	\$ 1,978,279

CHANGE IN NET ASSETS	\$ 7,693,102	-	-	-	-	\$ 7,693,102
NET ASSETS - BEGINNING OF YEAR	39,203,045	-	-	-	-	39,203,045
PRIOR PERIOD ADJUSTMENT	-	-	-	-	-	-
NET ASSETS - END OF YEAR	\$ 46,896,147	-	-	-	-	\$ 46,896,147

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	-		-
	First Commonwealth Trust	1998-A	3,595,000	950,000	950,000	-
	First Commonwealth Trust	1998-B	16,775,000	7,740,000	7,740,000	-
	First Commonwealth Trust	2001	27,320,000	26,530,000	5,000	26,525,000
	Northwest Savings Bank	2004	2,000,000	779,575	91,217	688,358
	Merchant's National Bank	2007	8,120,000	8,120,000	-	8,120,000

REVENUE	Revenue Bonds and Notes					

LEASE RENTAL	Lease Rental Debt of Authority					

TAX REVENUE ANTICIPATION	Tax and Revenue Anticipation Notes					
		Merchant's National Bank	2007	1,500,000	1,500,000	1,500,000

TOTAL DEBT AND REVENUE ANTICIPATION NOTES	\$ 35,333,358
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STATEMENT OF CAPITAL EXPENDITURES

GOVERNMENTAL - TYPE ACTIVITY	Capital Purchases	Capital Construction	Total
General government - administrative	297,776	-	297,776
General government - judicial	56,424	-	56,424
Public safety	-	-	-
Police	-	-	-
Fire	-	-	-
Corrections	37,127	-	37,127
Emergency services	9,000	5,653	14,653
Other	-	-	-
Public works	-	-	-
Highways and streets	-	238,055	238,055
Sanitation	-	-	-
Other	-	-	-
Health and welfare	56,226	-	56,226
Culture - recreation	-	-	-
Conservation	-	-	-
Community/urban redevelopment & housing	-	-	-
Economic development and assistance	-	-	-
Economic opportunity	-	-	-
 BUSINESS - TYPE ACTIVITY			
Major Bus. Type 1 Health Center	151,473	-	151,473
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	\$ 608,026	\$ 243,708	\$ 851,734

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)...	\$ 12,386,218

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

①/ 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, 2007.
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, 2007.

SIGNATURE AND VERIFICATION

Signed: Myra L. Miles

 Controller/ Auditor*

Subscribed and sworn to before me this 26th day of June, 2008.

Brenda C. George, Prothonotary
and Clerk of Courts

Signed: Amanda C. Hiles
 Witness (Controller/Auditor (Auditors))

(SEAL)
by Michelle Rawwood, Deputy

MY COMM EXPIRES 1ST
MON JAN 2012

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.

* Circle One