

# **SIXTY-FIRST 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**  
**TERESA A. TELFORD**



SIXTY-FIRST ANNUAL REPORT OF ARMSTRONG COUNTY  
TO THE TAXPAYERS OF ARMSTRONG COUNTY

This, the Sixty-First 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, 2008 to December 31, 2008.

Respectfully,



Myra L. Miller  
County Controller

Now, June 29, 2009, 2009, 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



**2008 COUNTY ANNUAL  
FINANCIAL REPORT**

**County of Armstrong**

**County of Armstrong**  
**GOVERNMENT-WIDE STATEMENT OF NET ASSETS**  
 December 31, 2008

PRIMARY GOVERNMENT				
CURRENT ASSETS	CURRENT ASSETS:	GOVERNMENTAL	BUSINESS-TYPE	
		ACTIVITIES	ACTIVITIES	TOTAL
	Cash and cash equivalents	9,314,332	292,254	9,606,586
Investments	1,095,372	-	1,095,372	
Receivables (net allowance for uncollectibles)	2,381,368	1,233,150	3,614,518	
Due from other governments	1,798,057	-	1,798,057	
Internal balances	98,498	(98,498)	-	
Inventories	9,872	37,924	47,796	
Prepays	52,181	14,537	66,718	
Deferred charges	-	-	-	
Restricted assets:				
Temporarily restricted:				
	Cash and cash equivalents	-	-	-
	Investments	-	-	-
	Intergovernmental receivable	-	-	-

NON-CURRENT ASSETS	NON-CURRENT ASSETS:				
	Permanently restricted:				
		Investments	92,105	-	92,105
Capital assets not being depreciated:					
	Land	747,040	-	747,040	
	Construction in progress	208,862	-	208,862	
Capital assets net of accumulated depreciation:					
	Buildings and system	16,513,933	1,264,077	17,778,010	
	Improvements other than buildings	394,796	11,965	406,761	
	Machinery and equipment	2,825,686	1,847,970	4,673,656	
	Infrastructure	6,870,760	-	6,870,760	
	Other	-	-	-	
	Other	-	-	-	

<b>TOTAL ASSETS</b>	\$ 42,402,862	\$ 4,603,379	\$ 47,006,241
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PRIMARY GOVERNMENT			
LIABILITIES:	GOVERNMENTAL	BUSINESS-TYPE	TOTAL
	ACTIVITIES	ACTIVITIES	
Accounts payable	2,158,574	1,472,027	3,630,601
Due to other governments	-	-	-
Deferred Revenue	579,841	-	579,841
Funds held as fiduciary	229,752	-	229,752
Other current liabilities	-	-	-
Noncurrent liabilities:			
Debt due within one year	1,021,486	-	1,021,486
Debt due in more than one year	36,063,717	-	36,063,717
Other non-current liabilities	-	-	-
Other    Accrued Compensated Absences	519,625	363,731	883,356
Other    Accrued Self-Ins Workers Comp Claims	282,978	-	282,978
<b>TOTAL LIABILITIES</b>	<b>\$ 40,855,973</b>	<b>\$ 1,835,758</b>	<b>\$ 42,691,731</b>

NET ASSETS:			
Investment in capital assets, net of related debt	(5,333,511)	2,003,176	(3,330,335)
Restricted	501,190	-	501,190
Unrestricted	6,379,210	764,445	7,143,656
<b>TOTAL NET ASSETS</b>	<b>\$ 1,546,889</b>	<b>\$ 2,767,621</b>	<b>\$ 4,314,510</b>

**County of Armstrong**  
**GOVERNMENT-WIDE STATEMENT OF ACTIVITIES**  
**December 31, 2008**

GOVERNMENTAL ACTIVITIES	FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSES) REVENUES & CHANGES IN NET ASSETS		
		PRIMARY/GOVERNMENT:	Charges for	Operating	Capital Grants	PRIMARY GOVERNMENT		
						Expenses	Services	Grants and Contribution
	Governmental Activities:							
	General government - administrative	6,173,047	1,970,742	156,094	315,113	(3,731,108)		(3,731,108)
	General government - judicial	7,382,889	1,914,115	793,807	-	(4,674,967)		(4,674,967)
	Public safety	6,511,888	1,627,830	1,390,596	-	(3,493,462)		(3,493,462)
	Highways and streets	1,138,274	115	1,349,189	-	211,030		211,030
	Sanitation	4,537	504	-	-	(4,033)		(4,033)
	Health and welfare	21,965,604	499,881	20,216,313	-	(1,249,410)		(1,249,410)
	Culture-recreation	1,011,679	451,786	287,096	-	(272,995)		(272,995)
	Conservation	368,494	9,198	-	-	(359,296)		(359,296)
	Community/urban redevelopment & housing	1,990,002	48,900	2,098,411	-	157,309		157,309
	Economic development & assistance	180,924	528	-	-	(180,396)		(180,396)
	Economic opportunity	4,868,936	-	4,877,608	-	8,672		8,672
	Interest on long term debt	1,868,348	-	-	-	(1,868,348)		(1,868,348)
	Unallocated depreciation	-	-	-	-	-		-
	Other	-	-	-	-	-		-
	Other	-	-	-	-	-		-
	<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 53,464,822</b>	<b>\$ 6,523,599</b>	<b>\$ 31,169,106</b>	<b>\$ 315,113</b>	<b>\$ (15,457,004)</b>	<b>\$ -</b>	<b>\$ (15,457,004)</b>

BUSINESS TYPE ACTIVITIES	Major Business Type Activities:								
	1	2	Charges for	Operating	Capital Grants	and Contributions	Governmental Activities	Business-type Activities	Total
	Health Center		7,736,164	7,497,372	27,603	-	-	(211,189)	(211,189)
			-	-	-	-	-	-	-
			-	-	-	-	-	-	-
			-	-	-	-	-	-	-
			-	-	-	-	-	-	-
	Other Business Type		-	-	-	-	-	-	-
	<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>		<b>\$ 7,736,164</b>	<b>\$ 7,497,372</b>	<b>\$ 27,603</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (211,189)</b>	<b>\$ (211,189)</b>

<b>TOTAL PRIMARY GOVERNMENTS</b>	\$ 61,200,986	\$ 14,020,971	\$ 31,196,709	\$ 315,113	\$ (15,457,004)	\$ (211,189)	\$ (15,668,193)
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NET (EXPENSES) REVENUES & CHANGES IN NET ASSETS

PRIMARY GOVERNMENT

Governmental Business-type

Activities Activities Total

TOTAL PRIMARY GOVERNMENTS

\$	(15,457,004)	\$	(211,189)	\$	(15,668,193)
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GENERAL REVENUES:

GENERAL REVENUES AND TRANSFERS

Taxes:

Real Estate	13,889,644	-	13,889,644
Per Capita	186,506	-	186,506
Sales	-	-	-
Other <u>Hotel Room Rental Tax</u>	47,473	-	47,473
Other	-	-	-
Licenses and permits	37,566	-	37,566
Grant and contributions not restricted	-	-	-
Unrestricted investment earnings	388,513	5,049	393,562
Other <u>Rent</u>	123,915	-	123,915
Other <u>Transfers</u>	(200,000)	200,000	-
Other	-	-	-
Other	-	-	-
Transfers	-	-	-
<b>TOTAL GENERAL REVENUES AND TRANSFERS</b>	<b>\$ 14,473,617</b>	<b>\$ 205,049</b>	<b>\$ 14,678,666</b>

CHANGE IN NET ASSETS

NET ASSETS - BEGINNING OF YEAR

PRIOR PERIOD ADJUSTMENT

NET ASSETS - END OF YEAR

\$	(983,387)	\$	(6,140)	\$	(989,527)
	4,087,448		2,773,721		6,861,169
	(1,557,172)		40		(1,557,132)
\$	1,546,889	\$	2,767,621	\$	4,314,510

**County of Armstrong**  
**BALANCE SHEET - GOVERNMENT FUNDS**  
(Including the Reconciliation of Total Governmental Fund Balance to Net Assets of Governmental Units)  
**December 31, 2008**

ASSETS:	General	Major # 1	Major # 2	Major # 3
		Area Agency on		
		Aging	Children & Youth	Health Choices
Cash and cash equivalents	3,623,741	1,154,559	427,077	218
Investments	-	-	-	-
Receivables (net of allowance for uncollectibles)	1,925,272	502	17,802	-
Due from other funds	1,047,819	-	18,045	-
Due from other governments	403,057	86,024	759,722	-
Inventories	9,872	-	-	-
Prepays	29,364	7,163	95	-
Deferred charges	-	-	-	-
Restricted assets:				
Temporarily restricted:				
Cash and cash equivalents	-	-	-	-
Investments	-	-	-	-
Intergovernmental receivable	-	-	-	-
Permanently restricted:				
Investments	-	-	-	-
Other	-	-	-	-
Other	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 7,039,125</b>	<b>\$ 1,248,248</b>	<b>\$ 1,222,741</b>	<b>\$ 218</b>

LIABILITIES:				
Accounts Payable	823,693	228,368	347,077	-
Due to other governments	-	-	-	-
Due to other funds	91,117	485	547,666	-
Deferred revenue	1,105,175	209,478	320,363	-
Other Funds Held in Escrow	221,022	120	7,635	-
Other	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>\$ 2,241,007</b>	<b>\$ 438,451</b>	<b>\$ 1,222,741</b>	<b>\$ -</b>

FUND BALANCE:				
Fund Balance, reserved	496,104	-	-	-
Fund Balance, unreserved	4,302,014	809,797	-	218
<b>TOTAL FUND BALANCE</b>	<b>\$ 4,798,118</b>	<b>\$ 809,797</b>	<b>\$ -</b>	<b>\$ 218</b>

<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	<b>\$ 7,039,125</b>	<b>\$ 1,248,248</b>	<b>\$ 1,222,741</b>	<b>\$ 218</b>
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ASSETS:	Major # 4	Major # 5	Other	Total
	Debt Service	Capital	Governmental Funds	Governmental Funds
Cash and cash equivalents	6,789	436,316	3,469,873	9,118,373
Investments	-	-	1,095,373	1,095,373
Receivables (net of allowance for uncollectibles)	358,658	-	79,134	2,381,368
Due from other funds	73,041	-	32	1,138,937
Due from other governments	-	-	549,254	1,798,057
Inventories	-	-	-	9,872
Prepays	-	-	15,559	52,181
Deferred charges	-	-	-	-
Restricted assets:				
Temporarily restricted:				
Cash and cash equivalents	-	-	-	-
Investments	-	-	-	-
Intergovernmental receivable	-	-	-	-
Permanently restricted:				
Investments	-	-	-	-
Other	-	-	-	-
Other	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 438,488</b>	<b>\$ 436,316</b>	<b>\$ 5,209,025</b>	<b>\$ 15,594,161</b>

LIABILITIES:				
Accounts Payable	-	9,450	749,987	2,158,575
Due to other governments	-	-	-	-
Due to other funds	-	-	401,170	1,040,438
Deferred revenue	267,031	-	-	1,902,047
Other Funds Held in Escrow	-	-	975	229,752
Other	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>\$ 267,031</b>	<b>\$ 9,450</b>	<b>\$ 1,152,132</b>	<b>\$ 5,330,812</b>

FUND BALANCE:				
Fund Balance, reserved	-	-	-	496,104
Fund Balance, unreserved	171,457	426,866	4,056,893	9,767,245
<b>TOTAL FUND BALANCE</b>	<b>\$ 171,457</b>	<b>\$ 426,866</b>	<b>\$ 4,056,893</b>	<b>\$ 10,263,349</b>

<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	<b>\$ 438,488</b>	<b>\$ 436,316</b>	<b>\$ 5,209,025</b>	<b>\$ 15,594,161</b>
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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		5,066
Long-term liabilities, are not due and payable in the current period and therefore are not reported as a fund liability		(37,604,828)
The difference in net assets between full accrual accounting and modified accrual accounting due to differing revenue recognition criteria between the two methods		1,322,206
Capital assets used in government activities are not financial resources and, therefore, are not reported in the funds		27,561,076
Other		-
Other		-
<b>NET ASSETS OF GOVERNMENTAL ACTIVITIES</b>		<b>\$ 1,546,889</b>

County of Armstrong  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For the Year Ended December 31, 2008

REVENUES:				
		Major # 1	Major # 2	Major # 3
		Area Agency on		
Taxes:	General	Aging	Children & Youth	Health Choices
Real estate taxes .....	11,134,410	-	-	-
Per capita taxes .....	188,111	-	-	-
Personal property taxes .....	-	-	-	-
Hotel room rental taxes .....	-	-	-	-
Sales taxes .....	-	-	-	-
Other .....	-	-	-	-
Other .....	-	-	-	-
<b>TOTAL TAXES</b> .....	<b>\$ 11,322,521</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Intergovernmental Revenues:</b>				
Federal .....	88,697	817,577	1,271,282	-
State .....	1,399,875	2,108,152	1,785,163	-
Local government units .....	-	-	-	-
Combination .....	-	-	-	13,933,586
<b>TOTAL INTERGOVERNMENTAL REVENUES</b> .....	<b>\$ 1,488,572</b>	<b>\$ 2,925,729</b>	<b>\$ 3,056,445</b>	<b>\$ 13,933,586</b>
<b>Charges for Service</b> .....	<b>4,725,663</b>	<b>165,273</b>	<b>311,152</b>	<b>-</b>
<b>Miscellaneous Revenues:</b>				
Interest earnings .....	176,403	23,466	13,997	2,108
Rents .....	111,115	-	-	-
Private contributions and donations .....	-	-	-	-
Other Licenses/Permits .....	37,566	-	-	-
Other Guarenteed Energy Proceeds .....	-	-	-	-
<b>TOTAL MISCELLANEOUS REVENUES</b> .....	<b>\$ 325,084</b>	<b>\$ 23,466</b>	<b>\$ 13,997</b>	<b>\$ 2,108</b>
<b>TOTAL REVENUES:</b> .....	<b>\$ 17,661,840</b>	<b>\$ 3,114,468</b>	<b>\$ 3,381,594</b>	<b>\$ 13,935,694</b>

REVENUES

REVENUES:	Major # 4	Major # 5	Other	Governmental
	Debt Service	Capital	Funds	Total
Taxes:				
Real estate taxes	2,726,489	-	-	13,860,899
Per capita taxes	-	-	-	188,111
Personal property taxes	-	-	-	-
Hotel room rental taxes	-	-	47,473	47,473
Sales taxes	-	-	-	-
Other	-	-	-	-
Other	-	-	-	-
<b>TOTAL TAXES</b>	<b>\$ 2,726,489</b>	<b>\$ -</b>	<b>\$ 47,473</b>	<b>\$ 14,096,483</b>

Intergovernmental Revenues:				
Federal	-	-	2,305,372	4,462,928
State	-	-	3,213,193	8,506,383
Local government units	-	-	100,000	100,000
Combination	-	-	4,146,210	18,079,796
<b>TOTAL INTERGOVERNMENTAL REVENUES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,764,775</b>	<b>\$ 31,169,107</b>

Charges for Service	-	7,510	1,313,998	6,523,596
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Miscellaneous Revenues:				
Interest earnings	6,753	44,777	111,912	379,418
Rents	12,800	-	-	123,915
Private contributions and donations	-	-	-	-
Other Licenses/Permits	-	-	-	37,566
Other Guarenteed Energy Proceeds	-	315,113	-	315,113
<b>TOTAL MISCELLANEOUS REVENUES</b>	<b>\$ 19,553</b>	<b>\$ 359,890</b>	<b>\$ 111,912</b>	<b>\$ 856,010</b>

<b>TOTAL REVENUES:</b>	<b>\$ 2,746,042</b>	<b>\$ 367,400</b>	<b>\$ 11,238,158</b>	<b>\$ 52,645,196</b>
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EXPENDITURES

**EXPENDITURES:**

	Major # 1      Major # 2      Major # 3			
	Area Agency on			
	General	Aging	Children & Youth	Health Choices
General government	9,660,791	-	-	-
Public Safety	4,001,949	-	-	-
Highways and streets	-	-	-	-
Sanitation	4,537	-	-	-
Health and welfare	728,435	3,213,650	4,059,299	13,936,144
Culture - recreation	287,098	-	-	-
Conservation	368,494	-	-	-
Community/urban redevelopment and housing	-	-	-	-
Economic development and assistance	133,521	-	-	-
Economic opportunity	-	-	-	-
Debt service	13,233	-	-	-
Capital outlay	646,480	-	22,295	-
Other	-	-	-	-
Other	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 15,844,538</b>	<b>\$ 3,213,650</b>	<b>\$ 4,081,594</b>	<b>\$ 13,936,144</b>

**OTHER FINANCING SOURCES/(USES):**

Interfund operating transfers	(1,345,700)	-	700,000	-
Sale of capital assets	-	-	-	-
Proceeds from long-term debt	-	-	-	-
Refund of bonds	-	-	-	-
Other	-	-	-	-
Other	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES/(USES)</b>	<b>\$ (1,345,700)</b>	<b>\$ -</b>	<b>\$ 700,000</b>	<b>\$ -</b>

<b>CHANGE IN FUND BALANCE</b>	<b>\$ 671,602</b>	<b>\$ (99,182)</b>	<b>\$ (0)</b>	<b>\$ (450)</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<b>4,139,639</b>	<b>908,979</b>	<b>-</b>	<b>668</b>
<b>PRIOR PERIOD ADJUSTMENT</b>	<b>(13,123)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 4,798,118</b>	<b>\$ 809,797</b>	<b>\$ (0)</b>	<b>\$ 218</b>

EXPENDITURES:	Major # 4	Major # 5	Other	
			Governmental	Governmental
	Debt Service	Capital	Funds	Total
General government	-	2,696,287	871,111	13,028,189
Public Safety	-	65,974	1,800,299	5,868,222
Highways and streets	-	-	871,860	871,860
Sanitation	-	-	-	4,537
Health and welfare	-	5,126	-	21,942,654
Culture - recreation	-	-	656,786	943,884
Conservation	-	-	-	368,494
Community/urban redevelopment and housing	-	-	1,990,002	1,990,002
Economic development and assistance	-	-	47,508	181,029
Economic opportunity	-	-	4,868,936	4,868,936
Debt service	2,857,433	-	-	2,870,666
Capital outlay	-	-	519,772	1,188,547
Other	-	-	-	-
Other	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 2,857,433</b>	<b>\$ 2,767,387</b>	<b>\$ 11,426,274</b>	<b>\$ 54,127,020</b>

OTHER FINANCING SOURCES/(USES):				
Interfund operating transfers	-	-	445,700	(200,000)
Sale of capital assets	-	-	-	-
Proceeds from long-term debt	-	-	-	-
Refund of bonds	-	-	-	-
Other	-	-	-	-
Other	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES/(USES)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 445,700</b>	<b>\$ (200,000)</b>

CHANGE IN FUND BALANCE	\$ (111,391)	\$ (2,399,987)	\$ 257,564	\$ (1,681,824)
FUND BALANCE - BEGINNING OF YEAR	282,848	2,826,853	3,605,496	11,764,483
PRIOR PERIOD ADJUSTMENT	-	-	193,813	180,890
FUND BALANCE - END OF YEAR	\$ 171,457	\$ 426,866	\$ 4,056,893	\$ 10,263,349

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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, 2008**

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

Net changes in fund balance - total governmental funds	(1,681,824)
The net revenue of certain activities of the internal services fund is reported with governmental activities	(118,006)
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.	1,188,953
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	27,141
The net effect of various transactions involving capital assets, (i.e. purchases, disposals, etc.) is to increase net assets	(399,651)
Other	-
Other	-
Other	-
<b>CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ (983,387)</b>

**County of Armstrong**  
**STATEMENT OF NET ASSETS FUNDS**  
**Proprietary Funds**  
**December 31, 2008**

BUSINESS - TYPE ACTIVITIES - PROPRIETARY FUNDS				
	Major Bus. #1	Major Bus. #2	Major Bus. #3	Major Bus. #4
<b>CURRENT ASSETS:</b>				
	Health Center			
<b>CURRENT ASSETS</b>	Cash and cash equivalents	292,264	-	-
	Investments	-	-	-
	Receivables ( net of allowance for uncollectibles)	1,233,150	-	-
	Due from other governments	-	-	-
	Due from other funds	-	-	-
	Inventories	37,924	-	-
	Prepays	14,537	-	-
	Deferred charges	-	-	-
	Restricted assets:			
	Temporarily restricted:			
	Cash or cash equivalents	-	-	-
	Investments	-	-	-
	Intergovernmental receivables	-	-	-
	Other	-	-	-
	Other	-	-	-
	<b>TOTAL CURRENT ASSETS</b>	<b>\$ 1,577,865</b>	<b>\$ -</b>	<b>\$ -</b>

<b>NON-CURRENT ASSETS:</b>				
	Permanently restricted:			
<b>NON-CURRENT ASSETS</b>	Investments	-	-	-
	Capital assets not being depreciated:			
	Land	-	-	-
	Construction in progress	-	-	-
	Capital assets net of accumulated depreciation:			
	Buildings and system	1,284,077	-	-
	Improvements other than buildings	11,965	-	-
	Machinery and equipment	1,847,970	-	-
	Infrastructure	-	-	-
	Other	-	-	-
	Other	-	-	-
	<b>TOTAL NON-CURRENT ASSETS</b>	<b>\$ 3,124,012</b>	<b>\$ -</b>	<b>\$ -</b>

<b>TOTAL ASSETS</b>	<b>\$ 4,701,877</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
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	BUSINESS - TYPE ACTIVITIES - PROPRIETARY FUNDS			GOVERNMENTAL
	Major Bus. #5	Other	Total	Internal
		Business	Business	Service
	Funds	Funds	Fund	
<b>CURRENT ASSETS:</b>				
Cash and cash equivalents	-	-	292,254	195,959
Investments	-	-	-	92,105
Receivables (net of allowance for uncollectibles)	-	-	1,233,150	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Inventories	-	-	37,924	-
Prepays	-	-	14,537	-
Deferred charges	-	-	-	-
Restricted assets:				
Temporarily restricted:				
Cash or cash equivalents	-	-	-	-
Investments	-	-	-	-
Intergovernmental receivables	-	-	-	-
Other	-	-	-	-
Other	-	-	-	-
<b>TOTAL CURRENT ASSETS</b>			<b>\$ 1,577,865</b>	<b>\$ 288,064</b>

<b>NON-CURRENT ASSETS:</b>				
Permanently restricted:				
Investments	-	-	-	-
Capital assets not being depreciated:				
Land	-	-	-	-
Construction in progress	-	-	-	-
Capital assets net of accumulated depreciation:				
Buildings and system	-	-	1,264,077	-
Improvements other than buildings	-	-	11,965	-
Machinery and equipment	-	-	1,647,970	-
Infrastructure	-	-	-	-
Other	-	-	-	-
Other	-	-	-	-
<b>TOTAL NON-CURRENT ASSETS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,124,012</b>	<b>\$ -</b>

<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,701,877</b>	<b>\$ 288,064</b>
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**BUSINESS - TYPE ACTIVITIES - PROPRIETARY FUNDS**

Major Bus. #1                      Major Bus. #2                      Major Bus. #3                      Major Bus. #4

**CURRENT LIABILITIES**

**CURRENT LIABILITIES:**

Health Center

Accounts payable	1,472,627	-	-	-
Due to other governments	-	-	-	-
Due to other funds	98,498	-	-	-
Deferred revenue	-	-	-	-
Non-current liabilities-due in less than 1 year	-	-	-	-
Other current liabilities	-	-	-	-
Other <u>Accrued Self-insurance Claims</u>	-	-	-	-
Other	-	-	-	-
<b>TOTAL CURRENT LIABILITIES</b>	\$ 1,570,625	\$ -	\$ -	\$ -

**NON-CURRENT LIABILITIES**

**NON-CURRENT LIABILITIES:**

Debt due in more than 1 year	-	-	-	-
Other non-current liabilities	-	-	-	-
Other <u>Accrued Compensated Absences</u>	363,731	-	-	-
Other	-	-	-	-
<b>TOTAL NON-CURRENT LIABILITIES</b>	\$ 363,731	\$ -	\$ -	\$ -

**TOTAL LIABILITIES**

\$ 1,934,256	\$ -	\$ -	\$ -
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**NET ASSETS**

**NET ASSETS:**

Investment in capital assets, net of related debt	2,003,176	-	-	-
Restricted	-	-	-	-
Unrestricted	764,445	-	-	-
<b>TOTAL NET ASSETS</b>	\$ 2,767,621	\$ -	\$ -	\$ -

**TOTAL LIABILITIES AND NET ASSETS**

\$ 4,701,877	\$ -	\$ -	\$ -
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CURRENT LIABILITIES	BUSINESS TYPE ACTIVITIES - PROPRIETARY FUNDS			GOVERNMENTAL
	Major Bus. #5	Other	Total	Internal
		Business	Business	Service
	Funds	Funds	Fund	
<b>CURRENT LIABILITIES:</b>				
Accounts payable	-	-	1,472,027	-
Due to other governments	-	-	-	-
Due to other funds	-	-	98,488	-
Deferred revenue	-	-	-	-
Non-current liabilities-due in less than 1 year	-	-	-	-
Other current liabilities	-	-	-	-
Other <u>Accrued Self-insurance Claims</u>	-	-	-	282,978
Other	-	-	-	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,570,525</b>	<b>\$ 282,978</b>

<b>NON-CURRENT LIABILITIES:</b>				
Debt due in more than 1 year	-	-	-	-
Other non-current liabilities	-	-	-	-
Other <u>Accrued Compensated Absences</u>	-	-	363,731	-
Other	-	-	-	-
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 363,731</b>	<b>\$ -</b>

<b>TOTAL LIABILITIES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,934,256</b>	<b>\$ 282,978</b>
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NET ASSETS	NET ASSETS:			
Investment in capital assets, net of related debt	-	-	2,003,176	-
Restricted	-	-	-	5,086
Unrestricted	-	-	764,445	-
<b>TOTAL NET ASSETS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,767,621</b>	<b>\$ 5,086</b>

<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,701,877</b>	<b>\$ 288,064</b>
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**County of Armstrong**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS -**  
**Proprietary Funds**  
**For the Year Ended December 31, 2008**

BUSINESS - TYPE ACTIVITIES - PROPRIETARY FUNDS				
OPERATING REVENUES	Major # 1	Major # 2	Major # 3	Major # 4
	Health Center			
<b>OPERATING REVENUES:</b>				
Charges for service	7,497,372	-	-	-
Operating grants	-	-	-	-
Other	-	-	-	-
Other	-	-	-	-
<b>TOTAL OPERATING REVENUES</b>	<b>\$ 7,497,372</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

<b>OPERATING EXPENSES:</b>				
Personnel services	4,883,213	-	-	-
Contracted Services	741,348	-	-	-
Supplies and materials	995,121	-	-	-
Repairs and maintenance	99,381	-	-	-
Utilities	269,022	-	-	-
Other services and charges	748,079	-	-	-
Depreciation and amortization	-	-	-	-
Other	-	-	-	-
Other	-	-	-	-
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 7,736,164</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

<b>OPERATING INCOME</b>	<b>\$ (238,792)</b>	<b>-</b>	<b>-</b>	<b>-</b>
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<b>NONOPERATING REVENUES/(EXPENSES):</b>				
Intergovernmental	27,603	-	-	-
Investment earnings	5,049	-	-	-
Interest expense	-	-	-	-
Gain/(loss) on sale of assets	-	-	-	-
Other Independent Living-purchase of minor equip	-	-	-	-
Other-Donations	-	-	-	-
<b>TOTAL NONOPERATING REVENUES/(EXPENSES)</b>	<b>\$ 32,652</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

<b>OPERATING TRANSFER IN/(OUT)</b>	<b>200,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CHANGE IN NET ASSETS</b>	<b>\$ (6,140)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>2,773,721</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>PRIOR PERIOD ADJUSTMENT</b>	<b>40</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 2,767,621</b>	<b>-</b>	<b>-</b>	<b>-</b>

OPERATING REVENUES	BUSINESS-TYPE ACTIVITIES - PROPRIETARY FUNDS			GOVERNMENTAL ACTIVITIES
	Major # 5	Other Business Funds	Business Total	Internal Service Fund
<b>OPERATING REVENUES:</b>				
Charges for service	-	-	7,497,372	158,498
Operating grants	-	-	-	-
Other	-	-	-	-
Other	-	-	-	-
<b>TOTAL OPERATING REVENUES</b>	\$ -	\$ -	\$ 7,497,372	\$ 158,498

<b>OPERATING EXPENSES:</b>				
Personnel services	-	-	4,883,213	-
Contracted Services	-	-	741,348	-
Supplies and materials	-	-	995,121	-
Repairs and maintenance	-	-	99,381	-
Utilities	-	-	269,022	-
Other services and charges	-	-	748,079	127,103
Depreciation and amortization	-	-	-	-
Other	-	-	-	-
Other	-	-	-	-
<b>TOTAL OPERATING EXPENSES</b>	\$ -	\$ -	\$ 7,736,164	\$ 127,103

<b>OPERATING INCOME</b>	-	-	\$ (238,792)	\$ 31,395
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<b>NONOPERATING REVENUES/(EXPENSES):</b>				
Intergovernmental	-	-	27,603	-
Investment earnings	-	-	5,049	6,870
Interest expense	-	-	-	-
Gain/(loss) on sale of assets	-	-	-	2,227
Other Independent Living-purchase of minor equip	-	-	-	-
Other	-	-	-	-
<b>TOTAL NONOPERATING REVENUES/(EXPENSES)</b>	\$ -	\$ -	\$ 32,652	\$ 9,097

<b>OPERATING TRANSFER IN/(OUT)</b>	-	-	200,000	-
<b>CHANGE IN NET ASSETS</b>	-	-	\$ (6,140)	\$ 40,492
<b>NET ASSETS - BEGINNING OF YEAR</b>	-	-	2,773,721	(35,406)
<b>PRIOR PERIOD ADJUSTMENT</b>	-	-	40	-
<b>NET ASSETS - END OF YEAR</b>	-	-	\$ 2,767,621	\$ 5,086
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds				-
Changes in Net Assets of Business-type Activities			\$ (6,140)	

**County of Armstrong  
STATEMENT OF FIDUCIARY NET ASSETS  
Fiduciary Funds  
December 31, 2008**

ASSETS		Fiduciary #1	Fiduciary #2	Fiduciary #3	Fiduciary #4	Fiduciary #5	Total
		Employee	Other				Fiduciary
		Retirement	Agency Funds				
<b>ASSETS:</b>							
Cash and cash equivalents		462,327	1,287,929	-	-	-	1,750,256
Receivables		790,596		-	-	-	790,596
Investments, at fair value		34,318,983		-	-	-	34,318,983
Due from other funds		-	-	-	-	-	-
Restricted assets:							
Temporarily restricted:							
Cash and cash equivalents		-	-	-	-	-	-
Investments		-	-	-	-	-	-
Intergovernmental receivable		-	-	-	-	-	-
Permanently restricted:							
Investments		-	-	-	-	-	-
Other		-	-	-	-	-	-
Other		-	-	-	-	-	-
Other		-	-	-	-	-	-
<b>TOTAL ASSETS:</b>		<b>\$ 35,571,906</b>	<b>\$ 1,287,929</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 36,859,835</b>

<b>LIABILITIES:</b>							
Accounts payable and other current liabilities		-	714,940	-	-	-	714,940
Due to other funds		-	-	-	-	-	-
Due to other governments		-	-	-	-	-	-
Other	Funds Held in Escrow	-	572,989	-	-	-	572,989
Other		-	-	-	-	-	-
Other		-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>		<b>\$ -</b>	<b>\$ 1,287,929</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,287,929</b>

<b>NET ASSETS:</b>							
Held for specific purpose		35,571,906	-	-	-	-	35,571,906
Unrestricted (deficit)		-	-	-	-	-	-
Other		-	-	-	-	-	-
Other		-	-	-	-	-	-
<b>TOTAL NET ASSETS</b>		<b>\$ 35,571,906</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 35,571,906</b>

<b>TOTAL LIABILITIES AND NET ASSETS</b>		<b>\$ 35,571,906</b>	<b>\$ 1,287,929</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 36,859,835</b>
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**County of Armstrong**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**Fiduciary Funds**  
**December 31, 2008**

	Fiduciary #1	Fiduciary #2	Fiduciary #3	Fiduciary #4	Fiduciary #5	Total Fiduciary
	Employee					
	Retirement					
<b>ADDITIONS:</b>						
Contributions:						
Employer	609,084		-	-	-	609,084
Plan Members	705,074	-	-	-	-	705,074
Private donations	-	-	-	-	-	-
Other- Reimburse overpayment	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>TOTAL CONTRIBUTIONS</b>	<b>\$ 1,314,158</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,314,158</b>
Investment Earnings:						
Interest	1,409,148	-	-	-	-	1,409,148
Net increase/decrease in the fair value of investments	(6,625,037)	-	-	-	-	(6,625,037)
Other Litigation revenues	18,691	-	-	-	-	18,691
<b>TOTAL INVESTMENT EARNINGS</b>	<b>\$ (5,197,198)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (5,197,198)</b>
Less investment expenses	(183,715)	-	-	-	-	(183,715)
<b>TOTAL ADDITIONS</b>	<b>\$ (4,066,755)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (4,066,755)</b>
<b>DEDUCTIONS:</b>						
Benefits	2,222,291	-	-	-	-	2,222,291
Administrative expenses	50,984	-	-	-	-	50,984
Other	-	-	-	-	-	-
Other	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>TOTAL DEDUCTIONS</b>	<b>\$ 2,273,275</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,273,275</b>
<b>CHANGE IN NET ASSETS</b>	<b>\$ (6,340,030)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ (6,340,030)</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>41,911,936</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41,911,936</b>
<b>PRIOR PERIOD ADJUSTMENT</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 35,571,906</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ 35,571,906</b>

## DEBT STATEMENT

GENERAL OBLIGATION	List Each Issue or Loan	Year of Issue	Original Amount of Issue	Outstanding January 1st or Issued During Year	Principal Paid During Year	Principal Outstanding December 31st
	General Obligation Bonds and Notes					
	First Commonwealth Trust	2001	27,320,000	26,525,000	760,000	25,765,000
	Northwest Savings Bank	2004	2,000,000	688,358	95,408	592,950
	Merchant's National Bank	2007	8,120,000	8,120,000	5,000	8,115,000
	SunTrust Guaranteed Energy Phase I	2008	2,432,139	2,432,139	-	2,432,139
	SunTrust Guaranteed Energy Phase II	2008	315,113	315,113	135,000	180,113

REVENUE	Revenue Bonds and Notes					

LEASE RENTAL	Lease Rental Debt of Authority					

TAX REVENUE ANTICIPATION NOTES	Tax and Revenue Anticipation Notes					
	Merchant's National Bank	2008	1,500,000	1,500,000	1,500,000	-

<b>TOTAL DEBT AND REVENUE ANTICIPATION NOTES</b>	<b>\$ 37,085,202</b>
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## STATEMENT OF CAPITAL EXPENDITURES

GOVERNMENTAL - TYPE ACTIVITY	Capital Purchases	Capital Construction	Total
General government - administrative	159,325	-	159,325
General government - judicial	1,200	-	1,200
Public safety	-	-	-
Police	-	-	-
Fire	-	-	-
Corrections	39,993	-	39,993
Emergency services	756,872	-	756,872
Other	-	-	-
Public works	-	1,244,348	1,244,348
Highways and streets	-	-	-
Sanitation	-	-	-
Other	-	-	-
Health and welfare	22,295	-	22,295
Culture - recreation	-	-	-
Conservation	-	-	-
Community/urban redevelopment & housing	-	-	-
Economic development and assistance	-	-	-
Economic opportunity	-	-	-
<b>BUSINESS - TYPE ACTIVITY</b>			
Major Bus. Type 1      Health Center	90,126	-	90,126
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	-	-	-
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>\$ 1,069,811</b>	<b>\$ 1,244,348</b>	<b>\$ 2,314,159</b>

TAX RATES & EMPLOYEE COMPENSATION	
<b>TAX RATES:</b>	
General Purposes	12.25 mills
Debt Purposes	3.25 mills
All Other Purposes	mills
<b>TOTAL</b>	<b>15.5 mills</b>
<b>EMPLOYEE COMPENSATION:</b>	
Total salaries, wages, commissions, etc. paid this year (including all employees and elected officials)...	<b>\$ 12,769,235</b>

**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, 2008. 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, 2008.

**SIGNATURE AND VERIFICATION**

Signed: *Myna L. Miller*  
\_\_\_\_\_  
\_\_\_\_\_  
Controller / Auditor\*

Subscribed and sworn to before me this 29<sup>th</sup> day of June, 2009.

Signed: *Quada Wilson*  
Witness (Controller)/Auditor (Auditors)  
Prothonotary and Clerk of Courts  
Armstrong County, Penna.                   (SEAL)  
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